



Governing Decentralized Education Systems

Systemic Change in South Eastern Europe

Péter Radó

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South Eastern Europe*

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Local Government
and Public Service
Reform Initiative

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Disclaimer

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Introduction

“If your only tool is a hammer, everything looks like a nail.”
—Clarence Page

Why This Book?

Most people working in centralized government regimes believe that those who are supposed to govern in decentralized systems are losing control. This book will attempt to prove that what is lost in the course of decentralization is nothing more than the illusion of control, for centralized management is based on illusory convictions. One such misconception is the expectation that regulation changes the behavior of the actors of education service delivery automatically. Another is the conviction that teachers do everything according to the expectations of the regulators behind classroom closed doors. However, what has been obvious for the majority of scholars since the 1970s is not necessarily obvious for policymakers and professionals today, who may never have experienced anything but extremely centralized management, or have rather disappointing experiences with certain kinds of decentralization, such as the self-management system of the former Yugoslavia.

One of the most important arguments in favor of decentralization is that almost nobody likes to work in a centralized system. Even if many actors are interested in preserving strong central control for various reasons, centralization curtails all the actors in education from both the pain and pleasure of facing challenges and solving problems independently. Centralization erases the feeling that one is doing something important and creating added value. The “secret agenda” of this book is to prove that education systems can be reformed, in which large numbers of teachers, school directors, local administration officials, development experts, and even ministerial staff may find working a rewarding enterprise. The other “message” in this book is that change, even at this scale and complexity, is not impossible. There are many European education systems that produce high-quality and effective education without the daily intervention of omnipotent states. The fact is that the instruments of decentralized governance really work and have much greater potential than those applied in centralized regimes.

Therefore, the foremost reason for this book is to support knowledge transfer in an organized way along three lines. First, key contemporary concepts will be introduced that determine how the governance of education is designed and operated in European countries. These concepts all originate from a rather dramatic paradigm shift of education science and educational policy over the last two decades. However, the emphasis here is not on theory, but rather on the very practical implications of the new mainstream patterns of policies on governance and management. The second purpose is outlining how decentralized education governance systems work in practice and assessing their instruments within the context of South Eastern European. What will be offered is one possible approach to decentralized governance with a large amount of trade-offs and alternative solutions. What matters is their suitability within the context of South Eastern Europe. This book is designed to inform and orient local discourse on the most appropriate direction of future decentralization measures. The third purpose of this book is to confront the early steps towards decentralization in South Eastern Europe with the key characteristics of decentralized governance. Although none of the countries in the region went very far with the decentralization process, there were certain initial steps made in almost all of them that, if assessed within a regional comparative framework, will provide useful insight and lessons for the design of future ones.

The primary audience of this book is experts in public management and education who are working for public administration organizations at any level or in those institutions that have a stake in governance and education. Since most readers will be specialists, it is important to indicate the risk that this book takes. Briefly summarizing a little bit of everything in one volume is a brave—or blind—enterprise. For example, an educator might be dissatisfied with the depth of the chapter on teaching, and education economists will be short-changed by the chapter on financing. The purpose of this book, however, is not necessarily to add to the knowledge of specialists. The underlying assumption is that anybody working in any role in the governance and management of education systems has to be a generalist; beyond the narrow technical competencies of their work, they should have a broad understanding of how various segments of decentralized education systems are connected to each other. For this reason, this book does not focus on any of the specific aspects of decentralization, such as fiscal decentralization or the public management system. A broad brush stroke is applied to the decentralization process that incorporates genuine educational considerations in order to explore the connections among the various “strands” of decentralization. If anything can be labeled the “punch line” of this book, then it is those aspects of education governance that are typically dealt with in an isolated way yet are very much interwoven.

This book will use a large number of examples from South Eastern Europe (and some from Central Europe). The purpose is not simply to make the text more “digestible” for the audience; a serious effort will be made to embed the discussion on decentralization within the South Eastern European context. Although it might be the reader’s impression,

this book's intention is not to be “hyper critical” of the work of those who are running education governance and management systems. Rather, the book is designed to explore the latitude within which major systemic changes can be considered. It will be served by a regional comparative approach concurrent with the application of international mainstream knowledge and experience to the realities of the region. As will be seen, in spite of the diversity of the realities of the region's distinct countries, the similarities among them are surprisingly salient.

Having lagged behind Central and Eastern Europe, South Eastern Europe is poised to learn from the rich experience of its northern and western neighbors that nearly all underwent major systemic changes in their education governance systems. The lesson we can learn from Hungary is especially valuable, due to their over two decades of experimentation within the framework of an extremely decentralized management system. While most of South Eastern Europe is struggling with the problems of dealing with important education related challenges within a centralized system, Hungary's problems are different: how to deal with the same challenges within a radically decentralized one? The same added value can be found through comparisons with other Central European countries—of course, not with the intention to promote the introduction of anything that is alien to the context of the South Eastern European countries.

The Thematic Focus and Structure

If nothing else, the overwhelming complexity of education sector decentralization is apparent from a first glance in this book, the scope of which is deliberately broad because of the interplay among various aspects of decentralization.

There are two subsystems of the education sector in relation to which decentralization should be dealt with in a different way: higher education and adult learning. In *higher education*, decentralization emerges as two interrelated problems: (1) the autonomy of higher education institutions, and (2) the extent to which certain regulatory and quality assurance functions actually performed by the central government are deployed to the cooperation frameworks of higher education institutions or to the institutions themselves. (In terms of decentralization, the matters related to post-secondary education are closer to those of higher than pre-higher education.) As far as regulatory functions (e.g., qualification requirements) for *adult learning* are concerned, in an optimal setting, these are identical, or at least partially identical, with those underlying regulations for the formal schooling component of vocational education and training (VET). In relation to other aspects of adult learning: (1) they are much more connected to the decentralization or deconcentration of labor services than that of education; (2) to a large extent, adult learning services are provided by training organizations on the training market as business services; (3) the policies in relation to promoting adult learning at workplaces

are either regulatory measures or financial incentives with which lower-level management actors have very little to do; and (4) a relatively large segment of adult learning is provided by cultural services or by the media.

Therefore, higher education and adult learning are beyond the scope of this book. In acknowledging that vocational education and training is part of the secondary school system, the specific vocational components (as opposed to the general education components of VET) will be discussed only in connection to those matters in which their separation would be overly problematic, such as in the case of content regulation. Therefore, this book will only touch on those levels of education in relation to those lower-level actors who may have a substantial mandate: preschool education, primary education, general secondary education, and the formal schooling segment of vocational education and training. At the appropriate juncture, the entire picture will become apparent, in order to understand the cohesion of the subsystems discussed here.

In addition, this book offers only limited coverage on the private segments of the primary and secondary education systems: schools owned by NGOs, churches, business enterprises, or foreign governments. The number of private schools in South Eastern Europe is insubstantial, and the role of local education management actors in relation to these autonomous actors is limited.

The book is organized into four sections, describing: decentralization, education service delivery, the major strands of decentralization in education, and policymaking in decentralized systems. It might not be obvious to readers why a book on governance and management would devote an entire section to matters such as learning, teaching, or school organization. However, as the chapter on the various rationales for decentralization in education will indicate, many of them are strongly connected to the essential purpose of education: promoting effective learning. Incorporating a relatively short overview on genuine educational considerations shows that they have indirect or direct implications for how primary and secondary school systems are governed and managed. The underlying logic of the discussion in Parts Two and Three of this book is simple: an overview of the expectations demanded from education, against which we can then assess the effectiveness of learning; the characteristics of effective learning, against which we assess the quality of teaching; the required features of teaching, against which we assess the characteristics of the operation of schools; and finally the consequences of our quality expectations of governance and management. Without going through this simple algorithm, the discussion on governance would be a sterile one, disconnected from its essence: ensuring high-quality education services via effective governance of the education system. An introduction to educational policy planning and implementation in Part Four is much needed, because decentralization dramatically changes the very nature and purpose of policymaking in education.

Part One of the book provides an introduction to all the general aspects of decentralization, especially concerning education. It concludes in a practical analytical

framework that was already applied in the design of education sector strategies in Bulgaria and Croatia. Part Two goes on to discuss the foundations for the reconsideration of contemporary education governance systems: the changing meaning of effectiveness, quality, cost-effectiveness, and equity in education, as well as major themes such as learning, teaching, the work of schools as organizations, and the management of schools, concluding with a summary of the governance of education service delivery. Part Three provides brief descriptions of those five functional governance instruments that are the most relevant ones from the point of view of decentralization: management of education, the management of inputs to educational services (financing and human resources), content regulation (curriculum and standards), quality evaluation (evaluation and assessment), and professional services, wrapping up with a description of the mainstream pattern of education governance systems. Part Four deals with the implications of decentralization on educational policy. A short introduction describes the governance context of policy, the various functions within policymaking and the various policy implementation strategies that can be applied in decentralized education systems, concluding with a summary on the systemic conditions of high-quality policymaking in decentralized education systems.

The summaries at the end of each of the book's four parts offer a conceptual framework to help the reader to structure and organize the extremely diverse range of issues, problems, and terms in each part. Because the main purpose of this book is to structure complex problems and not to spare the discourse on how to solve them within the specific circumstances of different countries, the text is supported by two additional instruments: a large number of figures and comprehensive overviews designed to aid conceptualization, and boxes that generally offer supplementary information relevant to the theme being discussed.

The Main Sources

Since the primary aim of this book is to inform and orient policymaking and development, it is not based on the digestion of the vast literature on education decentralization. However, a distillation of a selected number of key volumes on this topic has contributed to this volume. Notably, the muscle on the skeleton has been mainly produced by local and international analysis and findings of experts and consultants who were accumulating a large body of knowledge and experience for very practical purposes. Where research results and international comparative data were available, they were used, but most of the issues touched upon in this book are dealt with in an extremely information-poor environment in most countries in the region. It is never as striking as in issues addressed by Part Two. Empirical research in education in South Eastern Europe is very limited in quantity and scope, and confronting international mainstream

ideas on local educational practices is nearly impossible, or certainly much harder than in relation to the three other themes in this book. Schools in South Eastern Europe are still very much like black boxes, and only the personal experiences of the author and anecdotal information from local experts offer an insight on how teachers teach or how schools are operated. In general, interviews with a large number of various actors (staff of municipalities, school directors, teachers, experts, etc.) combined with expert studies or consultant reports act as substitutes for decent research and data analysis.

PART ONE

Decentralization in Education

CHAPTER 1

Centralized Governance Systems: Their Limits and Inertia

1.1 The Limits of Central Rationality

All the allies who promote decentralization in education have one thing in common: the “shared antithesis” of bureaucratic centralization. “Bureaucratic centralization implies concentrating in a central (“top”) authority decision-making on a wide range of matters, leaving only tightly programmed routine implementation to lower levels in the organization” (Lauglo 1996). The underlying logic of centralized governance systems is that central governments are trustees of rationality. Therefore, it is based on the assumption that objectives should be set exclusively at the national level and they should be converted to prescriptive regulations that guide the work of everyone residing in the lower levels of the system.

Before engaging in any discussion on the different approaches to decentralization, this point of departure begs the question: are we sure that centralized management of education really does not work? Anyone who has ever had the chance to spend some time in an education ministry in Macedonia, Bulgaria, or Serbia as an outside observer would get the impression that things would work much better, even without ravaging the whole system with major decentralization initiatives. Little things like efficient filing, having written proposals, mandatory internal conciliation procedures, etc., would solve a lot of problems that are perceived to be the negative features of bureaucratic central control. However, the biggest problem with centralized control is not necessarily the lack of its operational efficiency, that is, all those malfunctions that are widely associated with bureaucracies. In fact, centralized regimes have two typical limits: (1) their weak capacity to absorb those views, interests, and experiences that are external to the administrative machinery; and (2) their weak implementation potential.

It is important to note that even the formally rigid central administrative management systems are never unmitigated. They are always alleviated in many different ways. Sometimes it is done formally, but more often, it happens informally. The typical form of *formal alleviation* is sharing central decision-making authority with other groups. This was the case in Serbia following the elections in 2004 when the Education Council (mainly consisting of pedagogy experts) received extraordinary approval authority, or in Bulgaria where teacher unions have a huge influence on policymaking far beyond

the traditional employment-related matters via the strong mandate that was given to the tripartite consultation mechanism. The true nature of these power sharing settings is that they are exclusive; a strong mandate given to one of stakeholder groups weakens the position of others. The recognition of the exceptionally powerful influence of experts (if they can be considered “stakeholders” at all) in Serbia leaves little room for teacher unions, while the recognition of teacher unions in Bulgaria does not leave much latitude for the influence of other stakeholder groups. Although sharing power with the above groups can be easily explained with simple populist arguments, such formal alleviations of strong central control can hardly be regarded anything but sophisticated means of shifting responsibility from the decision-making centers.

Another problem with formal alleviation is its typical lack of an essential condition: the effective internal organization of stakeholder groups. Representing the “profession” or “teachers” presumes that the views and interests of the represented groups have been effectively amassed and articulated. However, the internal paradox imprinted into centralized governance systems is that, in most cases, they are mismatched with effective stakeholder self-organization. The reader should be reminded that what we are actually referring to is not democracy deficit; it is a simple efficiency problem. Assimilating various views and interests is the *sine qua non* condition of quality of decision-making. The involvement of stakeholders is a “reality check” as well as an essential condition of implementation.

As far as the *informal alleviations* to centralized governance are concerned, the best illustration for this is what a curriculum expert¹ once referred to as the “conspiracy of silence.” It describes the attitude of teachers towards decision-makers at the national level: “We know that you know that whatever you do, we do whatever we want.” In other words, everybody is aware of the fact that teachers behind classroom closed doors are deviating from the centrally-devised syllabi. (The author of this book, while teaching history in an academic secondary school in the early 1980s in Hungary, carefully completed the paperwork according to the official curricula, but taught something very different, as many other teachers also did.) In times of mildly or rigidly oppressive regimes, this behavior among teachers was considered a brave safeguarding of education from the influence of the ideologically driven decision-making center and, as such, was lauded by many. However, recently, it is nothing more than a salient failure of the rule of law within education. This conspiracy of silence is not only characteristic of the relationship between ministries and teachers; it can also be applied to the behavior of textbook publishers, inspectors, pedagogical advisors, and many other important actors in education. It says, simply: everyone must learn how to live under the “central rationality” of governance. Forcing the actors of education to comply is probably the most destructive effect of centralized management regimes.

Another major reason to have serious doubts about the potential of centralized systems to capably manage education is their low capacity to implement their own deci-

sions. Since the 1970s, a great amount of literature emerged in public policy research on implementation in order to provide the missing link between decision-making and the outcomes of policies. The purpose of these academic endeavors was rather supportive: helping decision-makers to design better-implemented policies (Hill 1997). However, when we are looking at increasingly sophisticated lists of the conditions of perfect top-down implementation through hierarchical bureaucratic organizations (see Box 1.1), the suspicion emerges that an “*implementation deficit*” in centralized governance systems is almost inevitable. Although the evaluation of the impact of central government initiatives in education in South Eastern Europe is not a routine daily exercise, we may assume that the recent history of educational policy in the region basically consists of poorly implemented policies. (We will return to this problem several times in this book.)

Box 1.1

The Preconditions of Perfect Top-down Implementation

1. Circumstances external to the implementing agency do not impose crippling constraints.
2. Adequate time and sufficient resources are made available to the program.
3. Not only are there zero constraints in terms of overall resources but also, at each stage in the implementation process, the required combination of resources is actually available.
4. The policy to be implemented is based upon a valid theory of cause and effect.
5. The relationship between cause and effect is direct and there are few, if any, intervening links.
6. There is a single implementing agency that need not depend upon other agencies for success or, if other agencies must be involved, the dependency relationships are minimal in number and importance.
7. There is complete understanding of, and agreement upon, the objectives to be achieved; and these conditions persist throughout the implementation process.
8. In moving towards agreed objectives, it is possible to specify, in complete detail and perfect sequence, the tasks to be performed by each participant.
9. There is perfect communication among, and coordination of, the various elements involved in the program.
10. Those in authority can demand and obtain perfect obedience.

—Hogwood and Gunn 1984

The relative inability of centralized governance regimes to ensure the quality of decision-making by assimilating the diverse views, experiences, and interests of stakeholders and to implement its own decisions amounts to a situation that is commonly known as “*legitimacy crisis*.”

1.2 The Inertia of Centralized Governance

Arguments in Favor of Maintaining Central Control

The discourse on decentralization is not simply the debate among those who pursue different rationales for it; it is the debate between the promoters of unity, integration, and strong central control and those who promote decentralization for any reason in the first place. From a global perspective, the great majority of countries operate under centralized education governance systems, and most of them are “developing countries.” The arguments for maintaining control over education at the national level might be rooted in many different value-based orientations. Here are a few examples of those that may have specific relevance in South Eastern Europe:

- *Modernization*—the perceived backwardness by comparison to the most developed parts of Europe, especially following the lost opportunities due to the wars in the former Yugoslavia, are strong compelling forces for “catch-up” campaigns. However, modernization (that is, improving certain indicators connected to being modern, such as Internet penetration or the length of highways) is in most cases achieved through strong state intervention, or through the use of state-channeled foreign resources. From this perspective, losing control over education may result in leaving one of the most important modernization instruments at the mercy of local forces that are not considered to be committed to modernization objectives.
- *Nation building*—an influential concern in South Eastern Europe for many, it may resort to its historical patterns from the European past: building strong “modern states.” From this perspective, decentralization may appear to be the luxury object of countries having had strong nation-states for centuries. If nation building as a positive program is matched with the feeling of endangerment as a nation, a strong state is regarded as an instrument of self-defense. The strong state (i.e., state exercising central control) is often considered to be the best guarantee against the “detrimental impact” of globalization. The implications for education are salient: strong state control in order to preserve the language, culture, religion, and traditions of the ruling nation.

- *Egalitarian social engineering*—those who are concerned about social or ethnic inequalities very often turn to state control as the key instrument for reducing or eliminating disparities that are perceived to be unfair. The underlying assumption is an egalitarian one: inequalities can be reduced by the state via equal (re)distribution of opportunities. The illusion that education has the potential to change the socio-economic status of entire social macro-groups (e.g., that of Roma) is widely shared in the region. This approach calls for standardization of inputs and processes and strong central control in order to ensure compliance with these standards. According to this approach, decentralization per definition leads to greater inequalities or to greater social gaps along ethnic borders.
- *Integrity and unity*—there are situations where major historical events lead to extreme fragmentation of the state, such as in the case of Bosnia and Herzegovina. (Sometimes, even the fear of such events may provide the basis for any measures that could be perceived as “weakening the state,” for example, how the territorial autonomy of Vojvodina was viewed by many in Serbia after the secession of Kosovo.) The “constitutional fragments” of Bosnia and Herzegovina (Republika Srpska and the cantons) operate highly-centralized education management systems. However, overcoming the fragmentation of Bosnia and Herzegovina is a genuine centralization matter. For example, the initiative of adopting a curriculum for the whole country clearly served centralization purposes for the sake of the unity of the country.
- *The size that matters*—in several countries of the size of Montenegro or Slovenia, where a minister of education may personally know the directors of all secondary schools, decentralization may have certain logical limits. However, the small size of a country sometimes serves as an argument against transferring control over primary education to municipalities or against strengthening school autonomy.

Obstacles to Decentralization: Reasons for Reluctance

The rationales for decentralization that will be outlined in the next chapter are quite convincing—at least at the level of intellectual deliberation. One would assume that these arguments in favor of decentralization are strong enough to incite the actors of governance and management of education to rush to initiate new decentralization measures. But this is definitely not the case; most countries in South Eastern Europe made only minor and cautious steps in this direction. The question is: why? Are all of the decision-makers in these countries promoters of strong bureaucratic central control? Of course, there are simple explanations, for example, the possibility that the majority of actors are not aware of these arguments, or the fact that all systems that are settled for a

long period of time produce their supporters: those who are interested in maintaining the system. Apart from these very general reasons, there are several obstacles that explain the reluctance of many. The most important ones are the following: (1) strong dependence on the state, (2) mistrust, (3) lack of political commitment, (4) fear of losing control, (5) lack of comprehensive educational strategies, (6) weak management capacities, and (7) the resistance to change and to take on greater responsibility.

- *Perceived dependence on the state.* In countries with relatively weak self-governance traditions or with long periods of extremely centralized governance, most people can hardly imagine any major changes without the intervention of the state. Running schools or teaching biology without central government interference is one thing; changing how the school is operated or how biology is taught is something entirely different and should be done by changing the “state of affairs.” These contradictory attitudes towards the role of the state create an atmosphere in which shifting responsibility (i.e., blaming the government for everything) is an immediate reaction to almost any problem. Well after the collapse of dictatorial regimes, the perception of the omnipotence of the state is rarely challenged. However, the situation is not helped by the great public redistribution of incomes by the state and the low incomes of independent actors as well as by the prevailing pressure of overwhelming regulations from the center. Due to its mandatory participation, primary and secondary education is a public service; if a country’s public matters are controlled and managed centrally, then education that consumes a large proportion of the state budget hardly can be an exception.
- *Mistrust.* Decentralized systems are based on the cooperation among actors who have clearly defined but complementary roles. If the mutual trust among all the relevant actors is weak, there is pressure to create positions with ambiguous authorities. For example, if school directors do not trust local self-governments, they will argue for preserving the decision-making competencies of deconcentrated branches of central government. Also, if directors are not trusted, their management authorities will be “balanced” by school boards or by decision-making competencies deployed to the teaching staff. The mutual mistrust among education managers is strong in South Eastern Europe. (As a result, the first steps of decentralization escalate the shifting of responsibility game to the relationships among local actors, too.) There are three major sources of mistrust. The first is widespread corruption, still unconstrained despite calls for stronger accountability mechanisms and transparency. The second is the overwhelming influence of politics, even at local and institutional levels. And the last is that professional failures or successes remain invisible; therefore, the effectiveness of any actor is judged only upon anecdotal information. And even

if central governance is regarded as more corrupt, more overpoliticized, and more unprepared for the task, the abuse of authority by those who are closer, neighbors and community members, is somewhat less acceptable for many.

- *Weak and unsustainable political commitment.* The continuity of policies for a longer period of time than the term of a government is a rather illusory expectation in a centralized governance regime, in which politics is almost the only reference framework for policymaking. Decentralization—being a complex and long process—is a “stop-and-go” type of systemic change. (Decentralization is not a single project; rather, it is a pile of consecutive measures that add up to a major systemic change.) However, due to the lack of strong institutionalized setting for policymaking and implementation, “reconsidering” the policies of the previous government is even easier. For example, the government of Serbia between 2004 and 2008, as well as that of Romania after 2000, retreated from a lot of decentralization initiatives. In other cases, in spite of the prevailing rhetoric, the real steps of the government show very ambiguous commitment, just like in Croatia during the entire postwar period. The conviction or fear of being “reconsidered” by the next government may impose two different reactions; neither is instrumental in promoting decentralization. The first is the lack of courage that constrains the scope of initiatives to incremental changes within the existing highly centralized system. The second is desperate trepidation in order to achieve a critical mass of changes that make the process irreversible, but that almost inevitably leads to mistakes that often discredit the whole process.
- *Fear of losing control.* In a system that is based on control, losing control is a major fear. Those who exercise control cannot simply admit that their work is, to a large extent, based upon illusions about the effectiveness of the means of central supervision. However, the signs of ineffectiveness are very much visible, which is a source of frustration for many employees of central governance agencies. Not reacting to the lack of compliance with even more central control requires a great deal of deliberation and strategic thinking. Nevertheless, the typical reaction to failures is frustration; in psychological terms, working for central government agencies in a highly centralized system is not very rewarding. However, even in a very advanced stage of decentralization or liberalization, the perceived powerlessness may result in turning back to the good old instruments of central control. For example, in Hungary, which has the most decentralized and liberalized education governance system in Central Europe, the Ministry of Education, led by a liberal minister, reacted to the “white flight” (the secession of non-Roma students from schools where the proportion of Roma student reaches a certain point) with central administrative restrictions on local enrollment policies that were obviously evaded very easily. Another example was the reaction of

the same ministry to the law on the quality of textbooks published by private publishing houses by extremely rigid and detailed regulations that proved to be ineffective and were abandoned in most European countries. The fear of losing control is not the specialty of government agencies only. For example, due to the very centralized human resource management system in Bulgaria, teacher unions are oriented to influence central government policies, which they do rather effectively. The decentralization of the major employment-related decisions to schools would force the teacher unions to build strong representation in each individual school, without which they would lose a huge proportion of the influence they actually have.

- *Lack of comprehensive education reform strategies.* The development of education reform strategies is often dominated by educationalists. As a result, these strategies carefully consider the necessary changes and instruments in relation to the “software” of education (curriculum, teaching methods, in-service teacher training, etc.) and often ignore the “hardware” of education (management, financing, inspection, etc.). This weakness of strategic planning at the national level leads to the lack of balance among the various decentralization measures. For example, policymakers in Serbia—recently facing the problems of implementing contemporary policies for the inclusion of special needs children, the integration of Roma pupils, or self-evaluation based school development—use a management, financing, and quality-evaluation system that has not changed very much in the postwar period. The challenge is comparable to running the newest Microsoft operating system on a decade-old PC. The weakness of these strategies’ design has an additional impact. Being that such strategies are important communication instruments, they should convince professionals in the “frontline” of management that the changes are necessary. If reform strategies focus exclusively on pedagogical matters, the immediate reaction will be to generate resistance against those very changes by local actors who will not regard them to be feasible.
- *The perceived weakness of management capacities.* Due to the fact that investing in the capacities of local self-government staff or school directors by large-scale training programs is relatively easy, the lack of capacities as a main obstacle to decentralization measures is often overestimated. (For example, the staff of municipality administrations in Croatia claims that they would be able to perform more autonomous tasks without any problems.) However, since there was no need to apply sophisticated management competencies during the long period of centralized governments, the relatively weak competencies at the regional and local levels and in schools really became an obstacle. For example, almost the only success criteria for school directors in Croatia are

the quality of school facilities, furniture, and ICT equipment. Also, there are huge differences in this respect between larger and smaller institutions. The important point here is the existence of three major conditions: organizational capacities, performance evaluation, and available support systems. Most governments, while deploying additional tasks, seriously underestimate the need for supplementary administrative management capacities that they generate at lower levels. Decentralization has its costs, both in terms of financial and human resources. Also, there are certain changes that call for more than making additional resources available; they may require major organizational changes at the lower levels, too. (These changes in schools will be an important theme of this book.) More responsibility should be matched with more accountability, too. Also, the cumulative impact of increased responsibilities and accountability automatically results in increased demand for capacity building. (Capacity building, of course, should be more than training; these are also advisory and consulting services that automatically adjust to the actual needs of their clients.) A typical problem in most South Eastern European countries is applying an inverse logic: building capacities for nonexistent tasks with weak or nonexistent professional accountability systems. Since the impact of this type of investment is rather limited, the perceived lack of local capacities remains an argument for caution surrounding decentralization.

- *Resistance to change.* All systems that are settled for a period of time produce their supporters. There are many who are successful in a centralized system; therefore, they are not very much interested in shaking things up without the guarantee of still being successful in a different role in a very different environment. And even if someone suffers as a result of the “oppressive nature” of strong central control, change might be frightening; dealing with uncertainty or replacing old routines with new ones is not easy. Reason is not always the factor that determines behavior. In the many cases, when deliberation and the lack of interest or self-confidence required for change are in conflict with one another, the drive to reduce cognitive dissonance often results in turning to the arguments in favor of maintaining central control over education. Being concerned about changes with the potential of resulting in the replacement of several persons in various positions is a matter of great concern in South Eastern Europe, because personal networks often play a much bigger role in the success of individuals than formal institutional settings. In several cases the resistance to change feeds upon the resistance to take more responsibility. For example, growing efficiency problems in education, that is, the growing discrepancy between the number of children enrolled and the capacities of the schools, requires interventions that inevitably generate a lot of tensions at the

local level. Taking over the task of dealing with these conflicts, together with new management tasks, is not something that offers a lot of political or moral payback. In other cases, there is a well-justified concern of local administration staff and school directors that more responsibility will not go together with the reduction of old ones. For example, due to the huge reporting load on school directors in Bulgaria (directors have to produce more than one hundred reports on a regular basis), they are not convinced that they can (or want to) handle more.

The Decentralization Agenda and International Organizations

Most of the obstacles to decentralization are domestic ones. However, there is an additional international dimension involved in this matter: international organizations that impose an outstanding impact on the reform agendas of South Eastern Europe. (The influence of the World Bank's development strategies was strengthened by the fact that, due to the scarcity of domestic resources, financing almost any large-scale changes that a given government wanted to promote, depended very much on the availability of World Bank funds. Also, the role of World Bank was strengthened by the fact that its experts were very instrumental in determining the problems to be addressed and the actual design of the programs.) It is no accident that most decentralization initiatives and programs in education in the region are funded by World Bank loans; the World Bank has a clear and elaborate decentralization agenda, reflected in the cases of Croatia, Romania, and Serbia. However, the more money out of World Bank loans that was spent on building the institutional conditions and the required capacities for decentralization, the greater the discrepancy between the actual readiness of the governments to share power with lower levels, and the underlying decentralization strategies of the World Bank programs that became more visible. For example, the World Bank funded a decentralization program in Serbia that was still being implemented when the new government removed decentralization from the policy vocabulary.

However, the European Union gradually took over the role of the World Bank in influencing government agendas in most countries of the region. It happened earlier as the first of the South Eastern European countries joined the European Union (Bulgaria and Romania), and will most likely happen again in the countries with candidate status (Croatia and Macedonia). Even in the rest of the countries, the IPA (Instrument for Pre-accession Assistance) funds of the EU are playing a remarkable and growing role. We should be aware that the EU agenda in this respect is rather ambiguous. Due to the limited "constitutional mandate" in education, the EU cannot nurture a firm position on how education systems are governed. Although education was dragged into the Open Method of Coordination, the overwhelming diversity of governance systems

in the member states prevents them from adopting governance patterns at the level of the European Union. As a result, EU initiatives are either connected to the levels of educational service delivery (e.g., quality assurance in schools in order to strengthen the trust behind the mutual recognition of qualifications since 1991) or to the outcomes of educational services that are set by EU indicators and benchmarks within the Lisbon Process. There are only two exceptions to the lack of policies addressing the actual way of governance: the policy on external quality evaluation systems from the end of the 1990s (to the extent to which they are directly connected with school-based quality assurance) and, more recently, the national qualification systems (to the extent to which they are considered to be the instruments for the implementation of the European Qualifications Framework).

This ambiguity determines the impact of the EU on the decentralization agenda in South Eastern Europe. In theory, the strongest instrument of the EU is negotiating the education and training “chapter” during the admission process, but without having a clear policy mandate, such expectations are set only informally, if ever, for the countries preparing for EU enlargement. (The perception of the EU expectations by Croatians, Serbians, or Macedonians is a different problem that is not necessarily strongly connected to the expressed expectations.) A good example is Croatia: the European Union provided technical assistance to Croatia to design decentralization strategies for all relevant public sectors, namely for education, among others. However, since the results of strategic planning could not be connected with accession negotiations, the first chapter that was accomplished and closed was the one on education, without any follow-up of the strategy on education sector decentralization.

Other international donor agencies that are active in South Eastern Europe, such as UNESCO, the Open Society Foundations, USAID, or other government donor programs, are rather neutral in terms of the governance of education. Their programs are very much problem-oriented and focused on specific issues, such as early childhood education, inclusive education, civic education, in-service teacher training, or the education of Roma children. These programs are working within the given framework of management and rarely address the systemic conditions of governance.

CHAPTER 2

The Rationales for Decentralization

When considering the possible reasons for decentralization in education, there are certain justifications that are general, that is, based on theoretical considerations or value orientations. But there are others that flow from rather practical and contextual reasons, that is, from problems that decentralization has the potential to solve or reduce. In the discourse on decentralization, in most cases, the two kinds of argumentations are combined, sometimes mixed up and, very often, practical arguments are very much based on theoretical convictions and values. (Value orientations are not always considered to be a legitimate basis of argumentation in South Eastern Europe.) Although this summary of the rationales for decentralization will focus on the contextual relevance of practical justifications, it will start with a few insights on the general kinds of underlying reasons. As far as the practical rationale for decentralization is concerned, the possible reasons are summarized by many authors in many different ways (Fiske 1996, Lauglo 1997, Winkler 2000, Fiszbein 2001, Halász 2001). The second and third sections of this chapter are not new versions of already existing ones with the ambition of academic generalization; it selects from those justifications that are more relevant within the South Eastern European context. In addition to these, it supplements these arguments with others that were emphasized by Bulgarian² or Croatian³ experts in the course of the development of strategic planning processes.

2.1 The Legitimacy of Decision-making: Who Is Best Qualified to Decide?

The problem of legitimacy crisis as a common point of departure for decentralization efforts was mentioned in the previous chapter. However, when it comes to the actual justification of decentralization—and as a result, to the actual type of decentralization—the diversity of underlying concepts and assumptions is striking. One aspect that has the potential of offering a classification for justifications for decentralization is the answer to the question: who is best qualified to make decisions, if not central government bureaucracies? In other words, what ensures the legitimacy of decision-making? There are two possible sources of legitimacy: *democratic decision-making* and the *professional quality of decisions*. There are certain rationales for decentralization that

emphasize democratic legitimacy, while other justifications are based on professionalism that ensures efficiency and quality.

The requirement of democratic legitimacy calls for open decision-making procedures even at the expense of professionalism. From the point of view of decentralization the question is: who do the schools belong to? Are educational services the exclusive concern of national interests, or they should serve the interest of local communities and/or the clients of the service, too? The answer rarely locks out the interests of the second group. Ensuring local control over public services of local interests is one of the strongest arguments in favor of decentralization. Decentralization aiming at strengthening democratic legitimacy of decision-making, often called political decentralization, that is, “assigning power to make decisions on education to citizens or their representatives at lower levels of government” (Fiske 1996). In practice, it means placing schools into the chain of local accountability relations (see Chapter 9). Decentralization is often based on direct political agendas. For example, in the mid-1980s in Hungary the main concern behind strengthening the autonomy of schools was kicking out the political influence of the ruling Communist Party from education. Also, one of the key goals of the education reform wave at the very beginning of the new century in Serbia was the democratization of education.

However, there is something that Jon Lauglo calls “*populist localism*.” According to this concept, schools are not the extensions of the state bureaucracy and not the property of professionals. Therefore, they should be governed directly and locally “by the people” (Lauglo 1996). It reminds us of two major implications. First of all, none of the rationales for decentralization may claim exclusivity in determining the direction of changes; they should be considered as the underlying basis for marking out the emphases of the design of the process. The other implication is a signal that we should try to avoid confusing value-based ideals with the concrete context of exercising authorities. For example, the “local community”—as it is referred to several times by education development programs—is an Anglo-Saxon Protestant social construct that, as such, does not necessarily exist in Central or South Eastern European countries. (For example, the equivalent term in Hungarian translates as “local society” that better reflects the highly-stratified character of the population of a village or an urban neighborhood.) Lauglo also speaks about “sponsored populist localism,” when “non-government organizations coming in from outside the community, support informal educational initiatives in order to mobilize the poor” (Lauglo 1996). Again, our judgment on this must very much depend on the context. For example, if formal education systems are failing to reach out to Roma settlements and Roma are excluded from self-governance of the municipality, such initiatives should not be labeled as populist.

Rationales for decentralization that emphasize ensuring professional legitimacy are very diverse in terms of the kind of efficiency of decision-making they focus on. One of them is based on the assumption that *market efficiency*—being the perfect and ideal form

of accountability relations—should be applied in the realm of public services, too. We will return to the pros and cons of the arguments about market efficiency later in this book. Only one thing should be advanced here: the counter-arguments simply declaring that “education is different” are unconvincing. Education is different indeed, but not because of its esoteric humanistic nature, but because of the discretionary character of educational (or health) services (see Chapter 9).

A rather traditional way of emphasizing professional legitimacy is the one based on *administrative efficiency*. The main concerns of the rationales under this heading are the old-fashioned requirements of public administration, all those aspects in which nineteenth-century bureaucracies were very successful, but are rarely achieved by government agencies at the beginning of the new millennium in the South Eastern Europe. The old concerns about reliability, calculability, accuracy, procedural unity, or the rather new ones about responsiveness or a client-centered civil service may call for administrative decentralization. In fact, in order to ensure that standards and other forms of regulations are complied with, management should be moved closer to the supervised area of state concern.

Another type of rationales emphasizing professional legitimacy is the one focusing on *technical efficiency* of decision-making. According to this alignment, what really matters is the effectiveness of exercising authority that is measured partly by the extent to which the desired performance is achieved, and partly by the use of contemporary management techniques. It is often called managerialism but is viewed by many who regard education as a humanitarian mission simply importing management methods from business. (Speaking about performance management in education still sounds somewhat perverse in many countries.) To a certain extent this view is unfair; there is a great deal of work invested in the adaptation of management techniques to the specific realm of public services in general, among others to the governance and management of education. Moreover, sometimes it is the public sector that invents management solutions that are taken over by business organizations. Nevertheless, when, for example, industrial quality assurance experts are forced to work together with educationalists, a real cultural clash may result from which both sides may benefit a lot.

Promoting *pedagogical efficiency (quality)* is probably the most influential rationale for decentralization in education. Almost all aspects of education are extremely knowledge-intensive, high added-value activities performed by highly-trained specialists. Regardless of the perceived status of the teaching profession, the consensus about its high professional requirements is undiminished and the expectations of teachers are high. Therefore, the fact that educationalists are making certain decisions on their own, is something that is rarely challenged, in general. Pedagogical efficiency is a complex phenomenon; therefore, references to it are, rather, based on the matter of the impact of decision-making on the quality of educational services—whatever quality really means (see Chapter 5).

However, there is something that we may call “*populist professionalism*” (what Jon Lauglo calls participatory democracy). It refers to the attitude regarding the decision-making in education as the natural monopoly of teachers, who should have a decisive role in exercising authority and who should govern the schools in a participatory way. Indeed, there are several education systems in which school-based decision-making is, to a large extent, deployed to the teaching corps and not to those who have any management authority. Also, teachers are often present in the local self-government councils in charge of education, or ministries of education are almost completely captured by teachers. Professional populism is deeply rooted in syndicalism; most of the time, this type of argumentation serves to protect the interests of teachers. (For example, the president of the largest teachers’ union in Bulgaria asked the minister of education and his advisors at a conference: “Did anybody behind the president’s table ever teach in a school?”)

The type of legitimacy that is emphasized is not simply a kind of argumentation. During the transition period of the 1990s, most Central and Eastern European countries went through a deep systemic change process that included a speedy or gradual decentralization of their education management systems. There are countries (such as Hungary) that moved towards *democratic-political management systems* that emphasize the political legitimacy of decision-making, while others (such as the Czech Republic) built *administrative-professional management systems*, in which the main focus is on expertise in decision-making (Radó 2001a). Therefore, the distinction between the two types of legitimacy is a handy tool to grasp certain systemic characteristics of management systems, too. It definitely does not mean that the power of intellectual approaches determine the systemic feature of education management systems. In fact, the evolution of institutional changes and the underlying justifications are both deeply rooted in the traditions of the countries, the political context of institutional change, and the characteristics of the inherited public administration systems. It is important to note that by referring to the two education management types (or to the two types of rationales) we do not mean to suggest that they are mutually exclusive. Our concern should be the opposite: in democratic-political management systems special attention should be paid to the professional quality of decision-making and vice versa.

Returning to the rationales of decentralization in education, the different justifications are very much based on social value orientations. However, some caution is recommended in connecting values, political alignments, and actual policies. Even in mature democracies where the ideological values of political parties are reliable selectors among policy options, shortcuts among values and policies would be problematic. It is even more than problematic in South Eastern Europe—it is impossible. Nevertheless, there are certain typical value orientations that have—rather indirect—implications for the rationale for decentralization (see Box 2.1). The reader should be reminded again, that in spite of the influence of these social value-based approaches on the type of argumentation, they do not directly determine the construct of the different rationales for decentralization.

Box 2.1

Value Orientation Approaches to Education

"The same for all."—An egalitarian leftist approach with strong centralization alignment, often based on the reminiscences of the communist past.

"Quality for those who deserve it."—An elitist, often conservative approach based on the ideologies and interests of the ruling elites, that typically promotes liberalization but not necessarily decentralization.

"Quality for those who can afford it."—A free-market approach promoting decentralization and privatization that emphasizes the power of the clients of educational services.

"Quality for all."—A democratic liberal approach promoting decentralization and liberalization, emphasizing choice and equity in education at the same time.

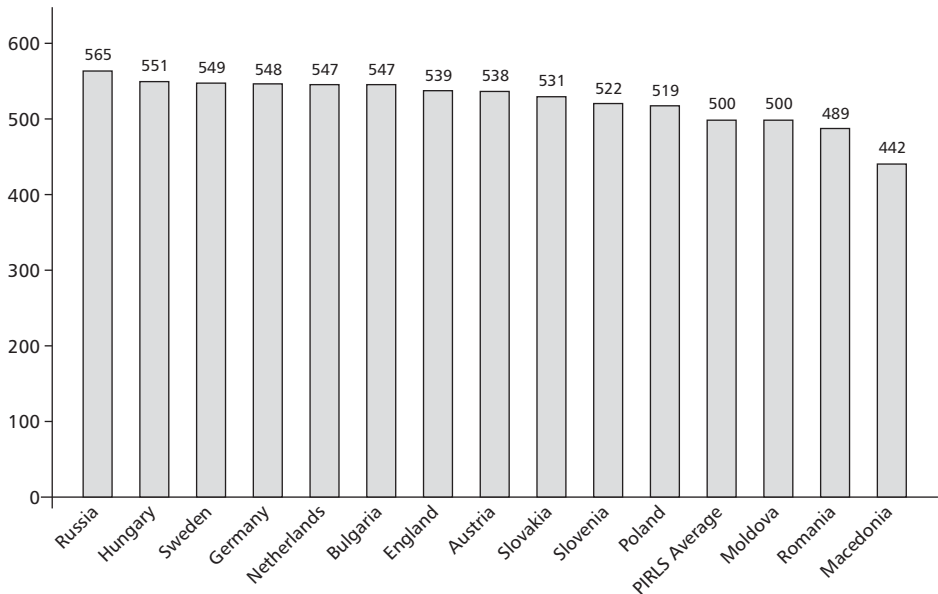
—Radó 2001a

2.2 The Educational Agenda for Decentralization

Poor Results of Educational Services

A common feature of South Eastern Europe is the lack of a reliable internal assessment system that would provide information about the effectiveness of educational services beyond the traditional statistical or anecdotal ones. (The results of talented children specially coached for competitions are still important "indicators" of the success of schools in the entire region.) However, in spite of the sporadic participation of the countries of the region, the major international student assessment surveys do provide some international comparative information. The picture they draw of the relative performance of the national educational systems of South Eastern Europe is rather mixed. According to the traditional ways of measuring student achievement (i.e., assessment on the basis of the common curricular elements), such as PIRLS and TIMMS, Bulgaria is among the top-performing European countries, while the education systems of Romania and Macedonia are performing poorly.

Figure 2.1
The Achievement of Fourth Grade Students in Reading Literacy
in Selected European Countries

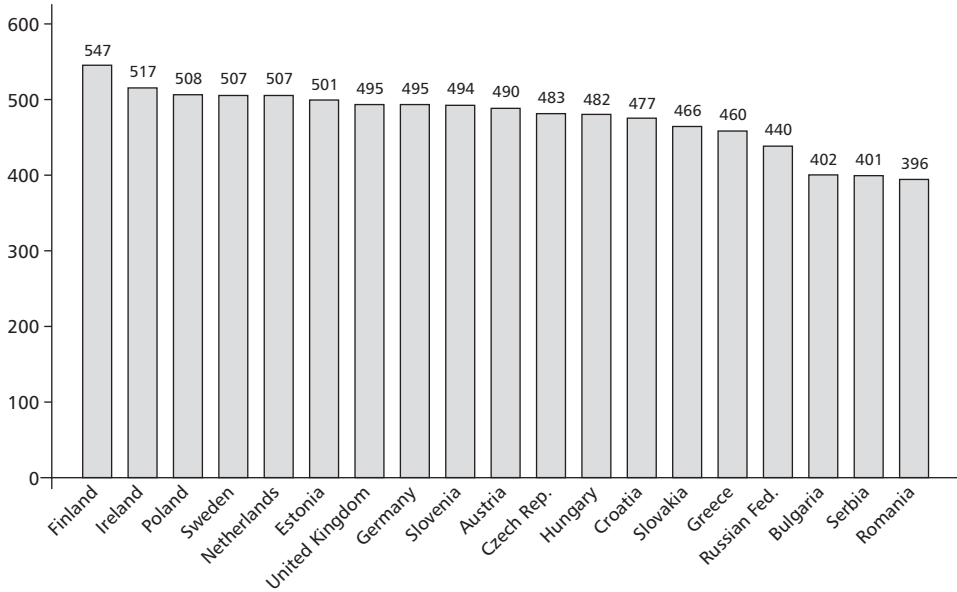


Source: PIRLS 2006.

However, if the measurement is disconnected from the curricular basis and based on the assessment of everyday practical competences, as it happens in the PISA surveys, a different picture emerges. According to the 2006 PISA survey, three eastern Balkan countries represent a clear regional pattern, while Croatia and Slovenia perform at the level of Central European countries.

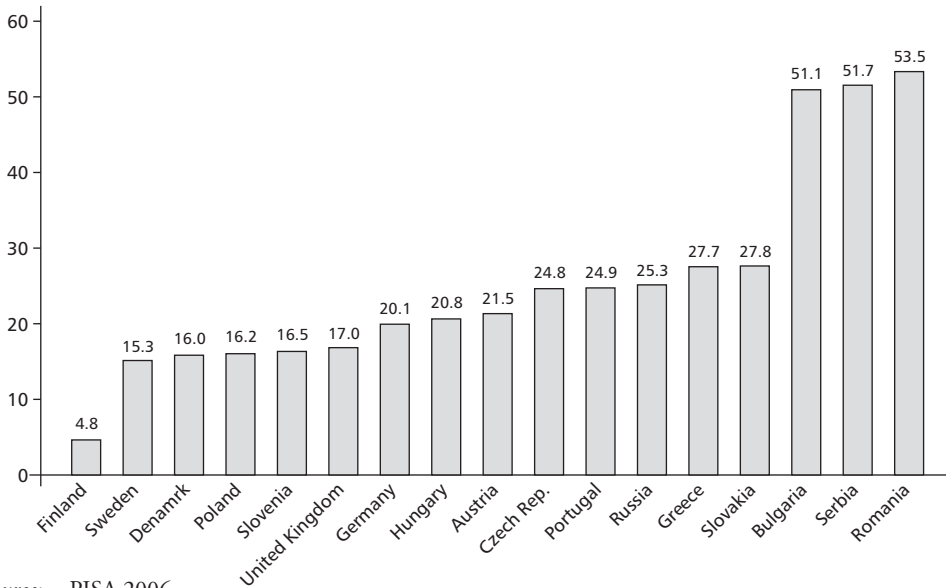
This eastern Balkan pattern is even more striking when we look at the proportion of those 15-year-old students in the same PISA survey, who are performing at level one or lower (i.e., the proportion of functional illiterate students).

Figure 2.2
Average Literacy Scores in Selected European Countries



Source: PISA 2006.

Figure 2.3
Percentage of Pupils with Reading Literacy Proficiency Level One and Lower in Selected European Countries

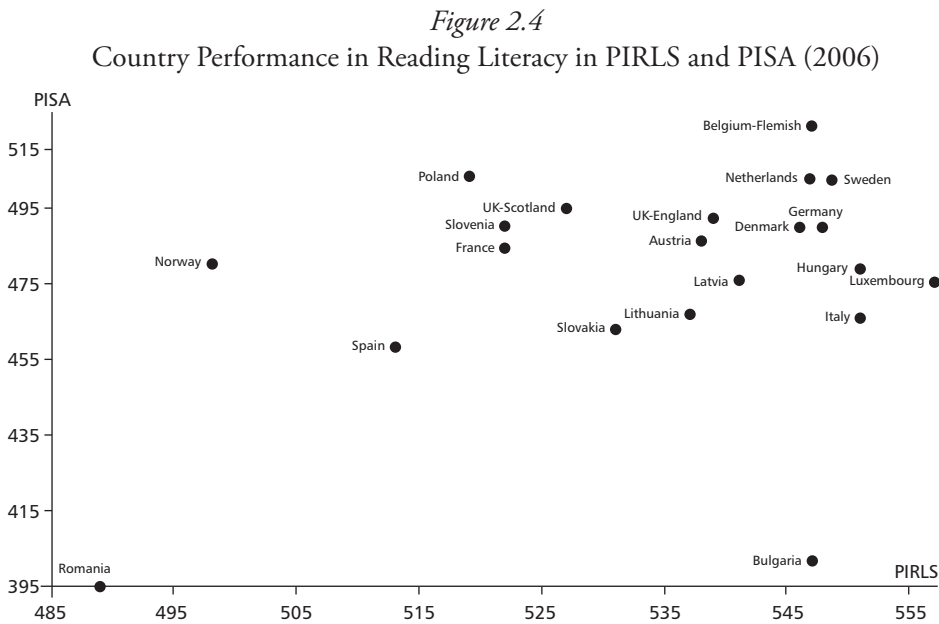


Source: PISA 2006.

It is important to note that performance indicators are proxies; they *indicate* certain quality-related problems but they are not identical to them. However, these signals are strong enough to urge policymakers to reconsider the traditional pattern of governing education. For example, some Central European countries (e.g., Germany, Austria, and Hungary) with much better PISA results went through a “PISA shock” when it turned out that their education curricula do not serve well the contemporary needs of the economy and social engagement. Since the beginning of this decade, most European countries invested large resources to foster the realignment of their education systems according to the lessons they learned from PISA. In most South Eastern European countries, however, PISA results did not cause much bother. For example, most Bulgarian experts are, rather, paying attention to the more favorable PIRLS data, while the Serbian Ministry of Education just recently made the first steps to digest the signals that were sent already by a 2000 PISA survey.

The ‘Mystery’ of Bulgaria: Lessons

By performing well in PIRLS yet performing far below the European average on the PISA survey, Bulgaria does not fit well into the eastern Balkan performance pattern. Explaining this difference might be instructive for other countries of the region and may have certain implications for the decentralization agenda, too.

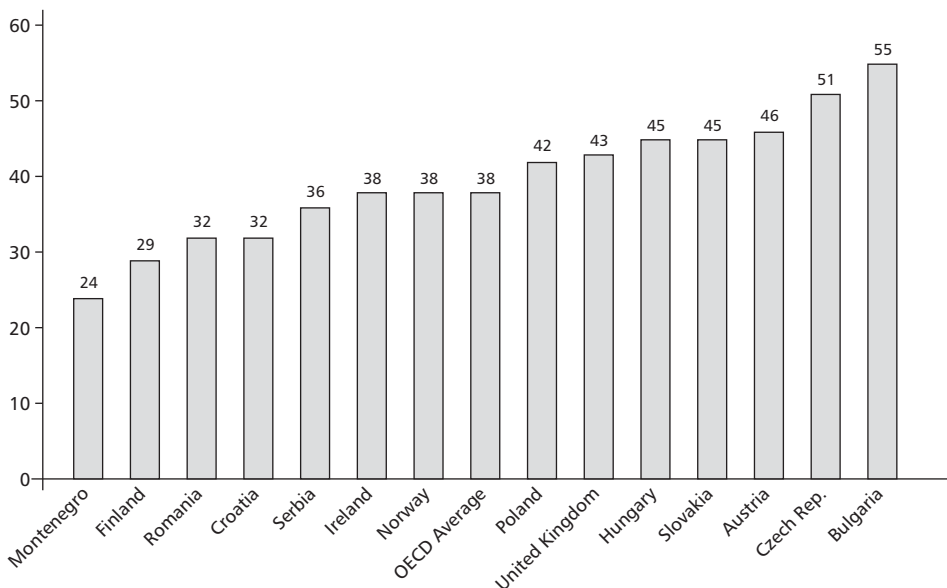


The two surveys each measure reading literacy using a different criteria and at a different age. Two possible interpretations of this huge difference of the performance of Bulgarian education system in the two assessment programs are: (1) inappropriate curricula (i.e., subject knowledge replicated in the curricula are not focused on the development of basic competencies), in addition to (2) a radical shift from classroom teaching to subject teaching, after which the development of reading comprehension of Bulgarian pupils stops. Keeping in mind the extreme difference between the performances in the two surveys, we may assume that both reasons are relevant for Bulgaria. These problems definitely indicate serious quality problems that lead to poor overall average performance of the systems.

We further approach an the explanation of the Bulgarian performance pattern if we look at the equity indicators of the countries of the region.

Figure 2.5

Relationship between Student Performance in Reading Literacy
and the PISA Index of Economic, Social, and Cultural Status (ESCS) 2006.
(Score Point Difference Associated with One Unit on the ESCS Scale)



These results show that the impact of the socio-economic and socio-cultural status of students on their learning in Bulgaria is huge (the highest in Europe), while other South Eastern European countries are closer to the European average in this respect. A secondary analysis of the PISA results for Hungary and other Central European countries proves that this strong relationship between student background and

achievement is the characteristic of highly selective education systems; unfair institutionalized selection magnifies the detrimental impact of social disadvantages on learning (Radó 2009). In other words, while the poor performance of Bulgaria is partly caused by unequal distribution of (traditional subject knowledge) quality, in Romania and Serbia relatively poor quality is “distributed more equally.” As a result, while the appropriate decentralization agenda in Bulgaria should focus on professional accountability systems in order to identify and improve underperforming schools, the agenda for Romania and Serbia might pay less attention to professional accountability and much more on the conditions for school-based development of education (see Chapter 12).

Quality-related Rationales for Decentralization

- *The narrow scope of quality in education.* Due to the very centralized feature of the governance of education the only aspect of quality of educational services that is emphasized in South Eastern Europe is the compliance to central standards. Other aspects, such as clients’ satisfaction with the services, are almost completely ignored. Due to demographic reasons (the decline of the number of children) and the surplus capacities in all of the education systems of the region, those schools that attract more pupils and successfully ensure the satisfaction of parents have a greater chance of survival. Even if one does not emphasize the imperative of any services, the “satisfaction of the client” and the pure survival interest will force greater responsiveness from schools regarding the expectations of the pupils’ parents. Here, it is important to keep in mind that effectiveness and client satisfaction are two distinct aspects of quality; parents and pupils are not necessarily the most satisfied with those schools that produce the best learning outcomes.
- *The heterogeneity of the clientele.* As will be seen in Chapter 11, curricula reform in Romania or the introduction of new standards in Croatia did not dramatically change the centralized feature of the governance of education. The source of serious quality-related problems is the fact that the space within which schools can adjust to the very diverse needs of their students or respond to the characteristics of the social and cultural environment is very limited. We should not forget that the huge number of functionally illiterate 15-year-old students is not the failure of the students; it is the failure of the schools that are educating them. The inability of schools to adjust leads to huge numbers of students who fail, both in terms of traditional progression indicators (e.g., dropout rates) and in terms of outcomes of learning. In addition, it is not simply about less central standards

and process regulations. The problem is that despite any efforts, strong central regulation instruments—being controlled by specialist—tend to be extremely elitist by transmitting the exclusive cultural code of the educated middle class. The first condition of any inclusive education is allowing the latitude for schools and teachers to opt out of these expectations.

- *Low motivation to change.* One of the perceived obstacles in the region to the improvement of the quality of educational services is the very limited professional autonomy of teachers and schools. The limited space within which schools and teachers can consider the aims and goals of their own work and within which they are able to initiate changes for the sake of greater professional success, in many cases, causes informal deviation from the central regulations. It creates the feeling that high-quality work is not an expectation, what is needed is the relatively low added-value work of implementing centrally-set procedures. All these features of centralized systems seriously discourage teachers. International research proves that teachers are easily motivated by symbolic means and by greater professional responsibilities than by financial incentives. For example, several examples prove that differentiated payment schemes, if not matched with greater autonomy and responsibility, are overridden by egalitarian in-school compensation policies.
- *Growing scale and complexity.* The expansion of upper-secondary and tertiary education and the growing number of learning pathways that students can consider are making education systems increasingly complex. This complexity cannot be handled by rigid, centrally-set standards and direct central management anymore. In addition to this, the more choice is introduced and the more diversity is allowed in the school network (that is the direct impact of the previous item in this list of rationales), the more central authorities will lose control over educational services. In this respect, decentralization might be promoted in order to regain control. Maintaining strong central control is not simply a hopeless endeavor; it is also not desirable. Contemporary mainstream educational policies (i.e., the lifelong learning paradigm) emphasize learning instead of teaching and diverse learning pathways rather than rigid school structures. The essential point here is the need to reconsider curriculum policy, professional services, quality evaluation, and other governance instruments in order to enhance the capacity of the system to handle its own complexity.

2.3 The Non-educational Agenda: Governance, Management, and Financing

Governance and Management

- *Connecting education with other services.* During the last two decades there was a solid shift in the way mainstream international and most domestic policies consider the aims of education, and therefore how goals are set for educational services. The traditional intrinsic aims, such as the development of the personality of children or the transmission of cultural heritage are up for reconsideration, in light of the prominent instrumental aims, such as economic functions, ensuring social cohesion, strengthening political legitimacy, or modernization. Due to the prevailing instrumental approach to education, the need to better connect educational services with other public services serving the same goals (e.g., welfare and health services, labor market intervention, housing, etc.) is greater than ever. However, connecting all these instruments within the frameworks of policies targeting complex social or economic problems at the national level is extremely hard. (This is the reason why governments typically fail in dealing with extremely complex problems such as low labor market activity or the marginalization of Roma.) Even if policy coordination were improved or sectoral policies were put under stronger government control (as was the case in this decade in the United Kingdom or in Hungary), educational policies would remain very much determined by the internal logic of the sector. However, at lower levels, by engaging territorial development systems or by deploying control over public service delivery to local self-governments, the integration of sectoral policies is much easier.
- *The political agenda: democratization and openness.* After many decades of communist regimes, democratization of the governance of education was definitely one of the most decisive underlying purposes of the many reforms in Central and Eastern Europe at the beginning of the 1990s. This aspect of governance seems to be less emphasized in most South Eastern European countries, partly because of weaker self-governance traditions and partly because of disillusionment in the postwar Balkan period. Additionally, citizens' consciousness as taxpayers (whose natural right is to influence how public resources are spent) is even weaker in this region than in Central Europe. Nevertheless, there are certain political forces and a strong NGO sector that are keeping the expectations related to open democratic governance alive. Also, important stakeholders' groups not involved in decision-making processes often claim more transparent and open

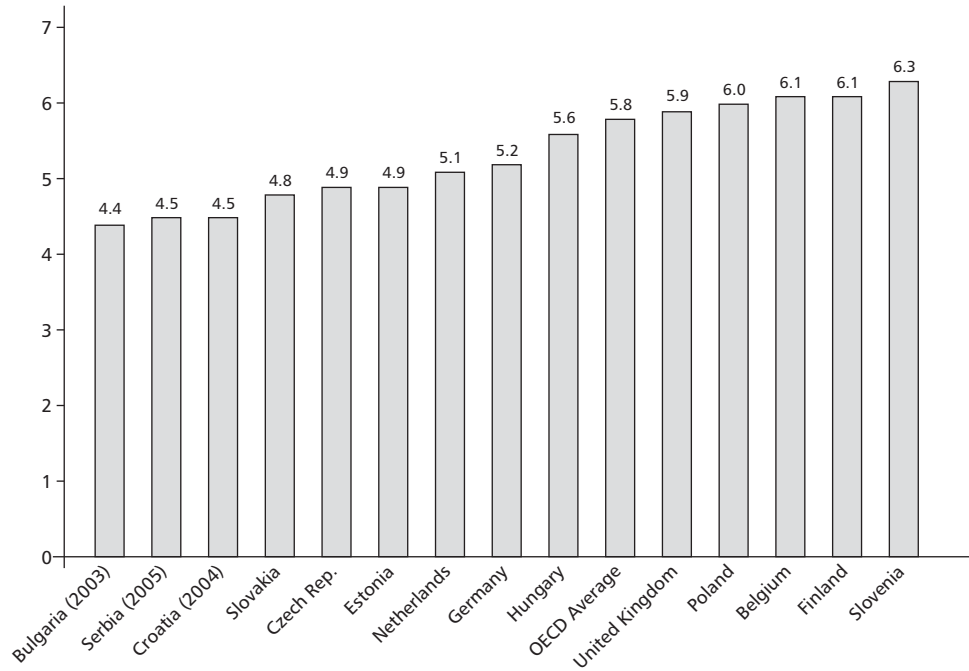
governance procedures. However, in certain cases, promoting “democratic solutions,” such as the appointment of directors by school boards, is simply based on the kind of mistrust that was briefly discussed in the previous chapter.

- *Managing ethnic diversity.* A unique feature of the postwar situation in the countries of the former Yugoslavia is the great emphasis on reducing ethnic tensions and supporting reconciliation. Cooling ethnic conflicts is an aspect that influences major decisions on governance and management of education, too. The most obvious example is the Ohrid Framework Agreement signed in 2001 by the representatives of ethnic Albanians in Macedonia and the central government. The agreement prescribes the decentralization of education to the level of municipalities. This was the basis of decentralization measures implemented from 2005. This aspect is revealed in relation to the “municipalization” of management of education in Bosnia and Herzegovina, too. In general, even if the ethnic dimension is not referred to overtly in other countries in the region, due to strong ethnic and religious identities than dwarf civic identity, this lurking consideration often influences approaches to decentralization.
- *Problems in the flow of information* The information basis of governance in the centralized systems of South Eastern Europe is typically poor. The type of information that is used rarely goes beyond raw statistical data on participation (not available at a lower aggregation level than the schools), anecdotal information, that is, the necessarily limited personal experience of policymakers and the information provided by the huge administrative reporting burden of actors at lower levels that are rarely processed fully. Therefore, when struggling with the contemporary challenges to education, a frequent complaint is the lack of information: lack of data on dropouts, special needs children educated in integrated settings, the participation of Roma, or any other matters of policy relevance. One way of dealing with this problem is moving decision-making closer to those who have easier access to the necessary information and channel it into the decision-making. However, there is a paradox that renders the identification of this solution more difficult: we should know a lot in order to recognize how much we do not know. Many of the employees of the central administration of education share the “optimism of the poorly informed.” Therefore, anything more than the types of available information are often relegated to the realm of “research” and investment into information systems is not necessarily a main concern of policymakers. Another similar obstacle is the problem of information monopolies; sharing information is like sharing power. Since the access to information of public interest is not properly ensured and, due to the lack of online information management systems, access even to existing information is rather difficult.

Financing of Education

- *Scarcity of public resources.* By international comparison, most South Eastern European countries spend less on education than other European countries. The reason for this is partly the very small contribution of municipalities and parents to the cost of education. Since space for increasing central budget spending is limited, the governments are seeking additional resources that can be channeled into the financing of education. Putting more of the cost of education on parents also has its political price. Therefore—choosing the path of least resistance—this is one of the strongest practical arguments in favor of deploying the responsibility for education to municipalities.

Figure 2.6
Expenditure on Education as a Percentage of GDP (2004)



- *Low efficiency of funding.* Financing educational services on an “historical basis” (that is, on the basis of the previous year’s budget) is flexible, and in the course of annual budget bargaining, it can adjust to major changes in terms of the service tasks that the schools perform. However, under the pressure of efficiency, problems mainly caused by the declining number of students, the apparent lack of efficiency of this allocation mechanism becomes more visible. Therefore,

most countries moved or are planning to move to a formula-based normative allocation system typically calculated on the basis of the number of students enrolled (per-capita financing). However, while it ensures the basic conditions of efficiency, it is rigid and does not easily adjust to diversities of the specific costs of the service. As a result, moving to normative financing almost automatically generates the need to build those mechanisms at the local level that create the balance between efficiency and flexibility (see Chapter 10). These mechanisms are even more important if choice and program diversity are introduced in education; if it happens, correcting the per-capita-based central financing by program and service specifications based on local financing regimes becomes a major requirement for the efficiency of financing.

- *Low effectiveness of the use of development funds.* It is not only the regular financial allocation system that is the subject of efficiency-related concerns. Due to the limited absorption capacity of the municipalities and schools, the actual use of development resources also raises several questions. If development of education is not based on situation analysis and planning in the municipalities and schools, development is either based on the “one-size-fits-all” type of spending or on showering money on schools without any hope that these resources will really generate change. One of the examples for this concern is the allocation of small EU structural funds to finance grants to schools for extracurricular activities in Bulgaria that do not necessarily impose any impact on the quality of mainstream teaching and that are most probably unsustainable. As seen in the previous section about the educational rationale for decentralization, building the conditions for the effective use of domestic or international development funds also calls for greater local and institutional autonomy.

CHAPTER 3

Decentralization: Definitions, Taxonomies, and Functions

Since the purpose of this reading is rather practical, a comparative overview on the vast literature of decentralization or an in-depth academic discussion of its underlying theoretical foundations will not be attempted. However, precisely because of the diversity of approaches and the uses of specialized terms, some clarification of the meaning of decentralization is inevitable. Apart from bringing certain intellectual order to the use of terminology (at least for the purposes of this volume), this chapter aims at offering an analytical framework that allows for “unpacking” and structuring the extremely diverse and complicated matters strategies for decentralization should concern. Also, this exercise will allow for streamlining the discussion in the following chapters by determining those aspects of decentralization that are most relevant to South Eastern Europe.

3.1 The Forms and Targets of Transferring Authority

In the most general sense, *decentralization is transferring authority from the central level to lower levels of management*. Therefore, at first glance, decentralization refers to the locus where certain education management authorities are exercised. The heart of the transfer of authorities is the distribution of decision-making competencies among the actors of management at different levels.

The reallocation of decision-making authorities can happen in many different ways. The most typical ones are deconcentration, delegation, and devolution. However, the more time we dedicate to exploring the meaning of the terms used for describing the various forms of decentralization in the literature, the more confusion we may face. Since this book does not serve pure academic purposes, with the reader’s permission, we can simply bypass the comparative analysis of the terminology and instead offer a description of each of the forms with limited academic legitimacy, but with the potential of practical applicability. Nevertheless, since these terms are used in many different ways in different languages independent from the diversity of definitions in the English language, in certain cases the different understandings of the three forms of decentralization will be indicated.

Deconcentration

Deconcentration is considered to be the weakest form of decentralization. It refers to the transfer of certain administrative authorities to lower levels of administration that is directly subordinated to a central government agency. The purpose of transferring decision-making is simply to bring it closer to the users of the service, that is, deconcentration is aiming to increase the efficiency of central administration. However, the central agency (e.g., the Ministry of Education) remains responsible for the actual task and for the actions of its deconcentrated agent. For example, the directors of the schools are appointed in Bulgaria by the Regional Inspectorates on behalf of the minister of education. The Regional Educational Offices in Serbia (*Skolska Uprava*, sometimes translated as Regional Departments) are not only managed directly by the Ministry of Education, they are part of the organization of the ministry. In most cases the deconcentrated decisions are typically implementation types of matters, and strategic and policy decisions are kept at the central level. For example, financial management, that is, the allocation of resources to individual schools, is administered by the Regional Departments in Serbia. Deconcentrated agencies not necessarily organized for the different sectors are separate units. For example, in Croatia, the Ministry of Science, Education, and Sports does not operate its own deconcentrated agencies, but it is the County State Offices that participate in the implementation of educational policies. However, the typical pattern of deconcentration in South Eastern Europe is to stuff everything into one single organization; the Regional Departments in Serbia or the Regional Inspectorates in Romania and Bulgaria are the depositories of diverse administrative, professional support, professional evaluation, and financial management tasks.

Obviously, the geographical dispersion of specified administrative functions is not a real transfer of authority among the different levels of management. “Deconcentration does not weaken the role of the state. (...) It would seem, that deconcentration is an efficiency measure that is more suited for expanding the state services than for slimming down those that exist” (Lauglo 1997). Due to its potential to increase efficiency of central governance of education, deconcentration is widely used even in extremely decentralized education systems. For example, in Hungary the regional branches of the Education Authority (an executive office of the Ministry of Education and Culture) perform certain external assessment-related tasks.

Delegation

Delegation is a more extensive form of decentralization. Through delegation, central governments transfer decision-making authorities to organizations that are not fully controlled by the center. Although these organizations may have a great deal of discre-

tion, the statutory basis of decentralization is, in most cases, rather weak. In the case of delegation, the transfer of decision-making is temporary, and the delegated task can be withdrawn quite easily. Therefore, decentralization by delegation does not create the necessary stability for medium- or long-term planning and allows little room to clearly (re)define the roles of the actors at the lower levels. The same applies to cases when certain services are delegated (contracted out) to private services; when the contract expires, the delegation decision is automatically reconsidered. It protects the higher-level agency in the case of delegating educational or professional services but might be very detrimental in the case of genuine public administration functions. Privatization is a particular form of delegation, because it does not necessarily move the actual service out from the realm of public services. For example, the owner of a private school may also be obliged to implement the national core curriculum or public health and safety regulations that are set for schools at the national level.

A good example is Bulgaria, where decentralization measures so far were based on “delegation,” that is, while keeping their responsibility for certain tasks, management actors “delegate” some of their decision-making competences to lower-level actors. This pattern applies to all relevant levels: funds and related decision-making competencies are delegated to municipalities; municipalities delegate decision-making competencies either to the directors of the schools or to submunicipal entities (the *kmestvo*). It creates a chain of delegation that leaves the “constitutional framework” of public administration untouched. In Bulgaria, the delegation of management authorities from the central level to the municipalities is based on the distinction between local tasks and delegated tasks. Local tasks are those rather marginal services that are not compulsory to provide, and therefore are funded by the revenue of the self-government. All other public services that all citizens should have access to are tasks of “national interest,” and therefore kept within the responsibility of the central government. For example, it is still the ministry that is entitled to open or close a school. As a result, delegation is not based on legislation; the tasks delegated to municipalities are regulated by a government decree on an annual basis.⁴

Devolution

Devolution is the transfer of authority over specific public functions to subnational levels or autonomous organizations. The distinctive feature of devolution is its statutory nature; the fact that it occurs on the basis of legislation. “Devolution is the most far-reaching form of decentralization in that the transfer of authority over financial, administrative, or pedagogical matters is permanent and cannot be revoked at the whim of central officials” (Fiske 1996). In most cases, it is not simply the decision-making authority that is deployed to regional or local self-governments or to schools; rather, certain mandatory

tasks are devolved, that are entailing certain decision-making obligations. For example, in Hungary it is the mandatory task of local self-governments to provide primary education services to children living on their territory. If the self-government decides to provide educational service by an own school, the director of the school is appointed by the council of the self-government simply because the school is its own institution. (As it would be the same in the case of a local water supply or forestry enterprises.) Although the central government may interfere in the way devolved tasks are performed (e.g., by setting qualification requirements for directors), it is only the law that may constrain the autonomy of the actors at the lower levels. Typically, decentralization by devolution goes together with the expansion of the latitude within which autonomous actors (self-governments, schools, etc.) regulate matters that were once regulated by the central government in the centralized system. This latitude depends on the actual scope of autonomy determined by laws. As will be seen, decentralization by devolution has major implications for all other aspects of decentralization in education beyond decision-making authorities.

The Targets of Authority Transfer

As far as the targets of authority transfer are concerned, it can be any of the lower levels of management of education or any private organizations. In general, we are differentiating four major levels of public management: the national, regional, local, and institutional levels. However, the diversity of administrative divisions in different countries does not always make the comparison easy and unambiguous. For example, when we refer to regions, it may mean three different territorial units with typically different functions. Sometimes larger territorial areas (NUTS 1) established on a historical basis, such as Dalmatia (*Dalmacija*) in Croatia, or Transdanubium (*Dunántúl*) in Hungary. The other possible regional units are the “statistical regions” (NUTS 2) that serve as statistical units within the European Union. Finally, there are smaller regional territories than the statistical ones (NUTS 3) that in most countries are called counties (*oblast, judet, megye*, etc.) or regions. The local level is no less ambiguous. Since in South Eastern Europe the average size of municipalities is rather large, the individual settlements often form a submunicipal level of self-government.

Box 3.1

The Nomenclature of Territorial Units for Statistics
(NUTS, *Nomenclature d'unités territoriales statistiques*)

NUTS is a standard for referencing the administrative divisions of countries developed by the European Union. The NUTS divisions do not necessarily correspond to administrative divisions within the separate countries, and it serves mainly statistical purposes. It also provides the framework for the allocation of the structural funds of the EU. There are three NUTS levels with two levels for local administrative units (LAUs, NUTS 4 and 5 levels). The local levels were officially abolished in 2003. The minimum population size requirements and classification procedural rules also were set in 2003 to ensure greater uniformity within the European Union. This may cause problems, for example, in Croatia, where the population size of five historical regions does not allow for establishing separate statistical regions for each. In other countries (e.g., in Hungary) the establishment of statistical regions gradually entails the development of a new administrative unit partly by deconcentration to the NUTS 2 level, partly by the evolution of an integrated territorial development system.

Determining the actors at any lower levels is no less complicated. The identification of the decision-maker is obvious in the case of deconcentration (branches of central government agencies), and in the case of privatization (a private organization selected by open tendering). It must be noted that from the point of view of public services, all non-public types of organizations are considered to be “private”: associations, foundations, trade unions, churches, private enterprises, international organizations, individuals, etc. In all these cases private organizations provide public service on a contractual basis—in theory—on equal terms. Just to broaden the blur around privatization, it should be mentioned that there are quasi-private organizations, such as the “public foundations” in Hungary that are organizations established by government agencies or self-governments operating under the legislation on nonprofit organizations.

In the cases of devolution and delegation (apart from privatization), the targets are very often much less obvious. The most plausible targets for authority transfer would be regional and local self-governments and schools with certain financial, organizational, and professional autonomy. Indeed, in most cases in the course of decentralization, educational management authorities are devolved to these actors. However, it often happens that the delegation or devolution of decision-making mandates evades local self-governments or the management of schools. This happens if school boards are established to govern a local network of schools or individual institutions.

To a large extent, determining the actual target (level and agent) depends on the underlying value orientations already outlined in Chapter 1. However, there are other aspects that may distort the obvious implications of values or other strategic considerations. One of the most important is the perceived technical (organizational, financial, and professional) capacity of the actors. What really matters in this respect is perception; very often, the typical argumentation is based on perceptions about the capacities of various actors without seriously considering the improvement of the required capacities. Another typical aspect in South Eastern Europe is the lack of trust in certain actors. For example, local self-governments are often mistrusted by professionals because of the extensive political interference or the widespread corruption that may lead to the reorganization of local school system in order to liberate school facilities for “privatization.” In other cases, school directors are mistrusted by teachers or local self-government representatives because of the potential abuse of their extended managerial power. As a result, sometimes school boards are established in order to balance “the threat” of the power of local self-governments, mayors, or school directors. Sometimes local actors seek “protection” from the central government that is the major obstacle to decentralization initiatives. Historical experiences with certain forms of management may also distort the “logical” distribution of authorities. For example, in the countries of the former Yugoslavia, decentralization is often identified with the “self-management” system.

Subsidiarity

Due to the top-down nature of decentralization in education, the basic questions are related to the appropriate levels and actors to whom the authorities of the central government are to be delegated or devolved. However, on the basis of the principle of *subsidiarity* an opposite logic might be applied: what should be kept centralized and why?

Subsidiarity is an organizing principle according to which central authority should have subsidiary (supplementary) functions only. It means that central governments should perform only those tasks that cannot be performed effectively at a more immediate level, that is, those tasks that are closed to the actual action and where the necessary information is available. It applies to lower hierarchical relations, as well; if a task can be performed in a school, the decision should not be pushed to the local level, etc. (Subsidiarity is best known as the guiding principle of the European Union as it was established by the Treaty of Maastricht in 1992.)

The promoters of decentralization very often refer to the principle of subsidiarity, but its underlying logic is very rarely applied. For example, in the discourse on decentralization, the type of argumentation that justifies why certain authorities should retain some matters for central governance is rather used by the opponents of decentralization, not by those who are seeking to define the borders of decentralization. The point of departure

of devolving everything to institutional or local levels with certain well-justified exceptions is an approach pursued only in historically federal states. The focus of the design of decentralization initiatives in Central and South Eastern Europe is very much the top-down identification of decision-making authorities to be deployed to lower levels. However, the principle of subsidiarity is still relevant for a non-federalist constitutional context, too. An educational governance and management system is never clearly centralized or decentralized. Decentralization of certain authorities may create the need for much more clearly-defined central authorities or even the establishment of new ones. For example, decentralized and/or privatized in-service teacher training systems may call for the introduction of a central quality assurance system. The principle of subsidiarity is a useful mental tool for the redefinition of the role of upper levels of management.

A Connected Instrument: Deregulation

There are authors who consider deregulation—by which central government control is reduced or eliminated—as a distinct form of transferring authority to lower level management (Halász 2001a). Indeed, if our point of departure is the assumption that if something not expressly prohibited or regulated can be done freely, then deregulation (the withdrawal of regulations) in fact transfers authority in an indirect way by widening the latitude of actions at lower levels. However, the underlying purpose is not necessarily weakening or eliminating central control; in several cases the justification for deregulation is the assumption that fewer and simpler regulations increase the efficiency of control. In addition to this, one of the typical characteristics of the behavior of lower-level actors in very centralized systems, who are overwhelmed by the huge administrative burden, is that they are doing only that which was deployed to them as a regulated mandate. Deregulation is an instrument that can be used in connection to any forms of decentralization or even without any transfer of authorities. On the other hand, devolution of decision-making authorities cannot be achieved without the removal of old regulations or without replacing them with procedural regulations. Also, decentralization may generate the need for new types of regulations, such as setting quality standards for services that are not managed centrally anymore.

Summary: Types of Decentralization

We often talk about different types of decentralization. These types are constructed partly on the basis of the underlying purpose of decentralization measures (the rationale) and partly on the basis of the actors to which former central government authorities are deployed. The most frequently mentioned types are administrative, political, professional,

and economic (market) decentralization. *Administrative decentralization* simply moves the locus of decision-making to a lower level of administration without involving non-administrative actors. *Political decentralization* implies deploying authority to regional or local bodies that are elected through a political procedure, or to administrative actors who are appointed and supervised by politically-elected bodies. *Professional decentralization* (or service delivery decentralization) means deploying decision-making authorities to the professional staff of schools (i.e., to management and teachers). *Economic decentralization* is contracting out certain functions to market organizations. We will later return to the decentralization of certain functional governance instruments, such as the decentralization of the allocation of financial resources (often referred to as fiscal decentralization) or the decentralization of curriculum (often referred to as decentralized curriculum policy). All of these core types of decentralization may apply to the decentralization of these instruments, although not all of the combinations are typical or even plausible.

The major types of decentralization—with the mild risk of simplifications—can be connected with the different forms of transferring authority. The obvious cases are administrative decentralization that is achieved by deconcentration and economic decentralization, because it is achieved only through delegation. (If the control of certain services is “devolved” to market organizations, they are no longer public services.) Political decentralization can be achieved either by delegation or devolution, but due to the constitutional nature of self-governance the previous case is rare. The primary meaning of professional decentralization is delegating or devolving authorities to schools.

Table 3.1
Targets and Form of Authority Transfer

Targets of authority transfer	Forms of transferring authority		
	Deconcentration	Delegation	Devolution
Regional branches of central government	Administrative	—	—
Regional or local self-governments	—	Political	Political
Schools	—	Professional	Professional
Private organizations	—	Economic	—

It is important to note that the long process of decentralization almost never occurs according to a clear pattern. There might be phases in which political decentralization is the main goal, while the next government may focus on professional decentralization. Also, although professional legitimacy might be the main concern in certain phases of decentralization, it is often connected with certain elements of political decentralization.

In the case of delegation or devolution to lower levels of education management, the professional guarantees of the quality of decision-making are also considered.

3.2 Decision-making Competencies and Functions

The Taxonomies of Decision-making

The extent to which an education management system is centralized or decentralized is measured by the actual distribution of decision-making authorities among the different levels. By mapping out decision-making assignments, the weight of different actors can be assessed and the skeleton of the whole of governance and management can be described. All sorts of analyses prove that in most countries certain functional segments of management systems are equally rarely “centralized” or “decentralized.”

The use of this measure leads to the development a taxonomy of decisions made in education management on a regular basis. These taxonomies are not always developed for pure analytical reasons; very often they group these decisions into different “functions.” For the sake of demonstration, a few examples for education management functions follow in Table 3.2.

Table 3.2
Four Examples of Education Management Functions

Welsh and McGinn 1999	Winkler and Gershber 2000	Halász 2001a	Winkler 2001
<ul style="list-style-type: none"> • Mission • Operations • Personnel • Client • Finance 	<ul style="list-style-type: none"> • Organization of instruction • Personnel management • Planning and structures • Resources 	<ul style="list-style-type: none"> • Organization of teaching • Personnel • Planning and structures • Student progression • Ensuring quality • Ensuring financial resources 	<ul style="list-style-type: none"> • School organization • Curriculum and teaching methods • Examinations and supervision • Teacher recruitment and compensation • Finance of recurrent costs • School construction and finance

These taxonomies of decisions might be good instruments for institutional analysis. However, in spite of the similar elements of these clusters, they are not necessarily instrumental in determining the major functions of management of education. The

main reason for this is the fact that decentralization is not simply the redistribution of responsibilities for the same functions among different actors, for in the course of decentralization the functions are changing themselves. For example, simply mapping out the decision-making mandates of different actors in relation to the curriculum does not necessarily gives any insight about the actual type of curriculum (e.g., is it oriented towards regulating inputs, processes, or outcomes?). In fact, these types of decisions combine two aspects: the classic management functions (planning, organizing, staffing, directing, and controlling) and the functional areas of educational management, such as curriculum and standards, the allocation of financial resources, or quality evaluations.

Table 3.3
Taxonomy of Education Management Decisions

Taxonomy of Education Management Decisions		
<ul style="list-style-type: none">• Governance<ul style="list-style-type: none">– Policy– Planning– Implementation• School Organization<ul style="list-style-type: none">– Structure– Minimum requirement• Financing<ul style="list-style-type: none">– Recurrent– Development	<ul style="list-style-type: none">• Training<ul style="list-style-type: none">– In-service– Pre-service– Management• Curriculum<ul style="list-style-type: none">– Subjects– Textbooks– Textbook provision– Language policy– Instructional methods– Evaluation of teachers	<ul style="list-style-type: none">• Monitoring<ul style="list-style-type: none">– Accreditation– Examinations– Pupil promotions– Discipline– Data systems– School evaluation• Research<ul style="list-style-type: none">– Needs– Conduct– Implementation

Sharing of Decision-making

Mapping out the distribution of decision-making competencies is further complicated because decision-making is frequently shared among different actors, and very often among different levels. The sharing of decision-making authority is growing even more widespread in the course of decentralization, so we may say that decentralization is equally about *delegation/devolution* and *power sharing*. So the changing nature of the functional areas of governance and management makes them multiplayer instruments. For example, within the framework of a national core curriculum, schools may develop school-based curricula that are approved by local self-governments as the owners of the schools. Estimating the actual weight of authority of all the players involved is extremely difficult, and it is not a simple question of decision-making authority anymore. Keeping with the same example, a local self-government may have priorities based on the view of the potential of how the schools should contribute to local social and economic policies. In this case the expectations of the owners might be incorporated into the pedagogical

program of the school. In other cases, the only matters that local self-governments may consider are the financial implications of the school curriculum. In both cases the actual authority of the local self-governments is the same, although the role they play in the decision-making process is very different.

To a certain extent, by the devolution of decision-making competencies, procedural regulations replace the role of discretionary, *ad-hoc*, case-by-case, or regulated administrative decision-making at the upper levels of government. It is partly caused by the fact that *devolution to lower level does not cancel the responsibility of the central government; simply, the way this responsibility exercised is changing*. Therefore, by setting procedural rules and by issuing standards that to a certain extent determine the content of decision made at the lower level, central government remains an important actor of decision-making. However, procedural regulation might be very remote and indirect. For example, a law may prescribe for local self-governments to adopt a statute that ensures the open selection of school directors in line with the centrally-issued qualification requirements.

The sharing of decision-making contains another distinction: participation in decision-making is not identical to actual decision-making authority. There are several actors involved in decision-making in various consultative roles. At the national level, a government decision on the curriculum is preceded by mandatory consultations with expert councils that sometimes have very strong mandates. For example, the government can issue new curricula or standards only with the consent of the Education Council in Serbia or that of the National Public Education Council in Hungary. At other levels even narrow decision-making competencies are deployed to consultative bodies, such as those governing the allocation of certain funds by regional development councils. In Hungary, local self-government should make their decision on the approval of the pedagogical programs of schools partly on the basis of the assessment of independent experts.

Separating the formal and informal consultative roles is important. Before the appointment of a school director, a city's mayor may consult with the teachers in an informal way in order to check how much internal support will be provided to his or her nominee for the position. This hint of wisdom on the part of the mayor does not mean that teachers are part of the decision-making process in any consultative role. However, if any central regulation or the statute of the city self-government prescribes this consultation, without which the mayor is not authorized to forward his or her proposal to the council of the city, the teachers then become actors in the formal decision-making process. This distinction applies to any level of governance and management and to all types of decisions. (As will be seen in Chapter 15, the scope of consultation in the course of the design and management of policymaking is much wider; before making policy decisions, all relevant stakeholders are to be consulted regardless of their formal involvement in decision-making. For example, when setting qualification requirements for school directors, the association of school directors is worth involving, even if the Ministry of Education has no any regulated mandate in this respect.)

To sum up, mapping out decision-making authority could be done using the underlying logic of the *educational management matrix*, which connects the specific types of decisions that are made on a regular basis (without which the normal operation of education systems can not be ensured) and the specific actors participating in decision-making procedures. When listing individual decisions, it is important to do some “unpacking”; if a decision is shared, then all individual components of the actual decision should be separated. For example, during the complex appointment process of school directors, separate lines should be created for the decision on the required qualifications, on the decision on nomination, on the actual decision on appointment, and the decision on contracting (that set employment conditions). When the actors of decision-making are listed, it is not enough to incorporate only those who have (or will have) actual decision-making authority. Those who have a regulatory mandate and those who are involved in the process in any formal consultative role also should be incorporated.

Two Distinct Approaches to Decentralization

Setting the framework for discussion on decentralization should be based on making the distinction between two possible approaches to decentralization in education. We are often talking about decentralization in a narrow technical sense on the basis of a management-oriented approach, or sometimes in a broader sense from an educational service provider point of view. The two approaches are different in terms of their scope and their points of departure.

According to the *public administration (management)* approach, decentralization refers to the distribution of decision-making competencies among the levels and actors of management of education. Therefore, the scope of management decentralization rarely goes beyond a strong focus on public administration and fiscal decentralization. For example, within the framework of this meaning, the directors of schools are regarded as the lowest level administration agents.

According to the *service delivery (educational)* approach, decentralization refers to the division of labor between genuine public administration agents and educational service delivery institutions with professional, organizational, and financial autonomy. From the point of view of schools—in spite of the actual priorities of the staff of the institutions in this respect—how different decision-making competencies are distributed among the national, regional, and local public administration levels is not necessarily a matter of great concern. What matters is the extent of their autonomous decision-making authority. Returning to the previous example, according to this approach, the directors of schools are regarded as the managers of school-based professional decision-making and development.

Also, the scope of this approach is different. Schools are not only subjects of management and financing; their work greatly depends on all other resources they consume (such as in-service training programs and all sorts of professional support services). Therefore, from an institutional point of view, the extent to which they control the supply of these essential resources is also part of the decentralization saga. An additional aspect of school autonomy is quality evaluation. The work of the schools is evaluated by professional bodies (inspectorates) in a great majority of European countries. The extent of the professional autonomy of schools determines the type of external evaluation: whether it is oriented to external control of the work of the school staff on the basis of rigid national standards or designed to support the self-evaluation of rather autonomous schools that set goals for themselves within frameworks set at the national level?

The distinction between the two approaches is partially influenced by the lenses through which educational, economic, or public administration experts view the world. (Moreover, due to the very weak public policy approach to education in Central and South Eastern Europe, communication among the experts of different professions is rather sporadic.) However, the relevance of this distinction flows from something more than the different perspective of various professionals. It is the emerging *whole-school* approach to education that makes this distinction even more explicit.

The whole-school approach is the result of the gradual shift of emphasis from teacher-centered educational services to those focusing on the teaching of students. Especially, since the contemporary goals of education are not determined in a manner that easily allows for their assignment to individual teachers, the need to reconsider how teachers cooperate and how their work is managed is attracting some attention. We will return to the details of the whole-school approach in Part 2 of this volume. What is important to indicate here is that this approach has major implications for governance and management of education: their primary target is not teaching and the individual teacher anymore—it is the school as an organization. In Part 3 we will see that all major governance instruments are also reorganized accordingly.

3.3 The Systemic Environment: Functional Instruments of Governance

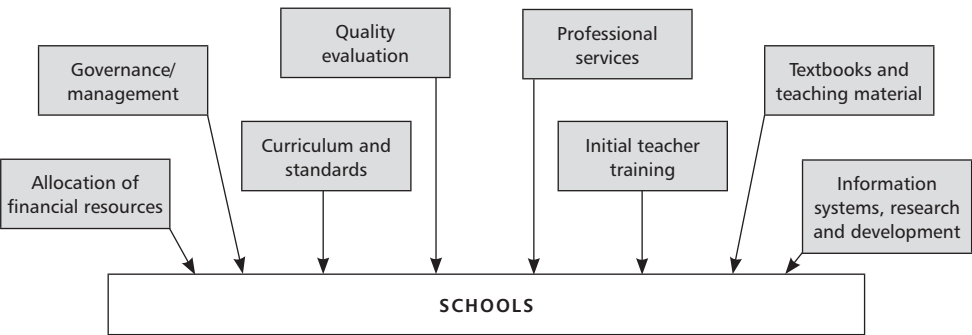
An obvious consequence of these two previous approaches to decentralization is that an analytical framework should equally incorporate the characteristics of *service delivery institutions* (schools) and the *systemic environment* of schools. The systemic environment is composed by those functional governance instruments that are (1) used in order to set goals for educational services, (2) through which all sorts of resources like financial and human resources, knowledge and information, instruments used in the process of

teaching and learning, etc., are allocated to the schools. Together, these components create a space within which schools are operated and managed, and within which the staff of the schools can consider how they provide educational services. In decentralized education systems most policies are implemented through these instruments. The most important ones are the following:

- Management of education,
- Allocation of financial resources,
- Curriculum and standards (“content regulation”),
- Quality evaluation,
- Initial teacher training,
- Professional services (among others: in-service training),
- Textbook publishing and the supply of teaching materials, and
- Information systems, research, and development.

Later, it will become clear that one of the most important impacts of service delivery decentralization is the rapid growth of the kind and amount of various services that schools, teachers, and students consume. The provision of knowledge, information, new types of content carriers (e.g., digital learning object) and new types of school-based activities that require external support lead to the evolution of a more and more diversified external support system. The process is very similar to the evolution of modern armies, in which the number of soldiers who actually fight (“frontline professionals”) is decreasing, while the number of those who support the fighters is increasing and their activities are becoming more diversified. Likewise, the evolution of modern education systems is similar, with the additional feature of decentralization that speeds up this process.

Figure 3.1
The Systemic Environment of Educational Service Delivery



As a result of the ongoing functional differentiation, all of these governance instruments are becoming separate subsystems. (In certain cases they even integrate subsystems within the subsystem, such as in the case of the separate pillars of quality evaluation: external assessment of the performance of students and schools, external school evaluation, and the information system of education.) These subsystems have distinct functions, they are organized into relatively or completely separated institutions, they are funded from separate budget lines through distinct allocation mechanisms, they are operating with more and more sophisticated methodologies, they are forming specialized professions for which specialists are trained in separate university programs, and they have their separate international cooperation networks. What is important here is that the diversification and expansion of these functional instruments increase the number and type of decisions at all levels of governance and management of education.

Decentralization of these functional governance instruments rarely happens side by side in a balanced way. In fact, managing major systemic reforms in all of the relevant segments of the systemic environment of schools is far beyond the capacity of any government. Therefore, decentralization is not a project; it is rather a *“stop-and-go”* type of systemic change process, within which the directions and priorities are reconsidered from time to time. The initial (or the next) steps of the process are determined by the driving forces behind decentralization. The most obvious distinction in this respect is that between the *education-reform-driven* and the *public-administration-reform-driven* decentralization agendas. A good example of the first case is Serbia in which the first steps of decentralization at the very beginning of the 2000s were genuinely educational: the implementation of a curriculum reform and the introduction of school improvement in the center of the changes. Examples for the second case are Croatia, which transferred the ownership of schools to local self-governments in 2001, and Bulgaria, which initiated fiscal decentralization in 2007 and 2008. An example that allows a comparison is that of Hungary, which has the longest history of education sector decentralization in Central Europe. The process started in Hungary in the mid-1980s by strengthening the autonomy of schools. It was followed up with rapid decentralization of management and financing in 1990, then with curriculum decentralization in 1995.

Though the different strands of decentralization were never implemented in parallel, the mismatch between the pace of changes in the different segments of the management systems have always created *“systemic tensions.”* For example, by taking over the property of school buildings in 2001, Croatian self-governments became responsible for all sorts of capital investments. However, they often ask the question: why should they invest in a service that they cannot influence in any way? Another example is the introduction of formula-based financial allocation through the municipalities in Bulgaria that created tensions in relation to the appointment of directors by the regional inspectorates (in fact, the deconcentrated agencies of the Ministry of Education). Therefore, the authority of school directors is increasing while their status and role remains extremely ambiguous,

especially in relation to the municipality self-governments. These examples demonstrate that focusing on the priority areas of change is a legitimate approach; however, any major changes in the system of any of the functional governance instruments eventually will require adjustments in others.

CHAPTER 4

The Horizontal Aspect of Decentralization: Roles of Different Levels

4.1 Horizontal Decentralization

Redefinition of Roles at Each Level of Management

In the previous chapters we have been focusing on the vertical aspect of decentralization, that is, on the redistribution of authorities among the different levels of governance and management. Another, no less relevant aspect of decentralization is the horizontal dimension, otherwise known as the changing role of actors at each level. Horizontal decentralization is sometimes referred to as the concentration of authorities at a certain level (McGinn 1997). Indeed, most decentralized systems give preference to a specific level or to a particular actor, such as self-governments or schools. However, disregarding the actual weight of different levels, the role of all actors at all levels will change in the course of decentralization. Without the deliberate redefinition of the complementary roles of each level and that of the functions performed by each actor, the cohesion of an increasingly complex system of governance and management cannot be maintained. Therefore, the question is: how do the different decision-making authorities add up at each level of the governance and management of education? And vice versa: how are the functions and decision-making competencies fit into a definite role?

Depending on the actual context, a wide variety of different function might be deployed to actors at different management levels. What is important is to identify the *core functions* that certain actors perform in decentralized education systems. Determining and describing these core functions may help select among the various possible targets of decision-making authorities and might be instrumental in considering the role of different actors that operate the different functional governance instruments.

According to the contemporary approach to governance and management of education, the focal point of the system is the service delivery institution: the school. The actual scope of organizational, financial, and professional autonomy of schools determines the organization, alignment, and management of all the functional instruments that compose the already briefly described systemic environment of educational service delivery. In fact, school autonomy sets a firm line between service delivery and

the systemic environment. (In very centralized systems in which ministries of education perform even administrative micro-management, this line is almost invisible. For example, just a few years ago in Serbia, rules issued by the minister of education determined the amount of cleaning supplies that can be used in schools.) Therefore, when describing the basic role of the major actors in decentralized education systems, we will proceed “in reverse order,” from the schools to the ministries of education.

A Short Detour: The Structure and Organization of Schools

The definition of the role of different actors is often considered in relation to the structure of schools. Indeed, the enrollment areas of different types and levels of schools partly determine the management level in which responsibility is worth placing. In decentralized systems, preschool is often considered to be a community service, primary schools in most cases are operated by local self-governments, while general and vocational secondary schools are operated at higher levels or by local self-governments of larger settlements. However, the assignment of levels of education to levels of management is not a great help in determining the role, and thus the actual functions performed at these management levels. (In this book we regard the task of managing school structures as one of the areas of management decisions, and not as the determinant of the role and function of the actors of management.) In addition to this, due to the diversity of school structures in Europe, simply referring to the major types of educational services (e.g., primary or general secondary) does not necessarily help to connect the levels of education with the levels of management on an international scale (Box 4.1).

The decreasing number of students in most South Eastern European countries generated an increasing mismatch between the capacities of the school system and the number of students enrolled. Ensuring the efficiency of financing requires the rationalization of the school network; therefore, this problem is on the policy agenda of several countries and to a certain extent “pollutes” the discourse on decentralization. In very general terms, the problem is that centrally-driven and centrally-administered rationalization initiatives proved to be ineffective because of their extremely low sensitivity towards the local educational, economic, and social context. However, during periods of required large-scale school network adjustments strong, central intervention is needed, because municipalities, when transformed into the owners of schools, are very much interested in avoiding local political conflicts by preserving their existing education service capacities.

The question is: how to create financial and other incentives in the course of decentralization that allow municipalities to create a fair balance between the capacities of local school networks and the tasks of the institutions? The solution to be developed is not a matter of short-term intervention. According to demographic projections, in the following decades the decline of the population of the region will continue; the problem

of the declining number of students entering schooling will remain. Therefore, those actors managing education and who will take over direct responsibility of the management of schools and the services they provide (most likely, municipalities) should be able to deal with the perpetual pressure of efficiency problems and should count on perpetually descending educational capacities.

Box 4.1

International Standard Classification of Education (UNESCO/OECD 1997)

A multidimensional integrated statistical framework for the levels and types of formal education:

- ISCED 0—pre-primary education
- ISCED 1—primary education: grades 1–6
- ISCED 2—lower secondary education: grades 7–10
- ISCED 3—upper secondary education: grades 11–12
 - 3/a—general secondary
 - 3/b—technical
 - 3/c—vocational
- ISCED 4—post-secondary, non-tertiary education
- ISCED 5—higher education
 - 5/a—bachelor (B.A.)
 - 5/b—master (M.A.)
- ISCED 6—post-graduate, advanced research qualification

—UNESCO 2006

4.2 School Management: Operating Autonomous Schools

So far, we may have created the impression that school autonomy is a value *per se*, but this is not the case at all. From the point of view of the *service providers*, the process of decentralization should lead to a greater level of professional, organizational, and financial autonomy that is a precondition for the improvement of the quality of services (see Chapter 7). Schools should be empowered to respond to very diverse external expectations that may vary from settlement to settlement, from school to school. In other words: schools should be operated in a way that allows for perpetual adjustment to the various,

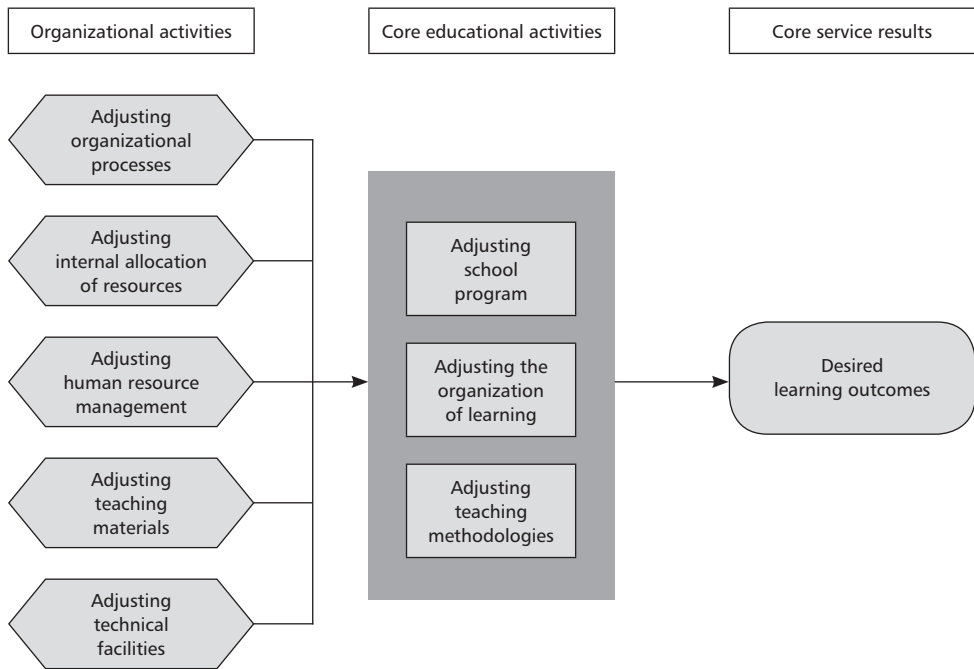
changing needs of students, parents, and the local communities as they are transmitted by the local self-governments, as well as to legitimate national interests transmitted by goals and targets set by laws and government expectations. All these external expectations should be reflected upon and should be transformed into organizational goals that are the basis for holding individual teachers and other staff of the schools accountable.

A school that is able to achieve all of these adjustments is an institution that operates the “engine” of perpetual development: a quality management system. Quality management is a continuous and systematic activity to narrow the gap between the goals of the organization and its actual daily practice (Setényi 1999). It has two basic components: (1) self-evaluation that allows for setting institutional goals and for reconsidering old ones, and (2) cycles of school improvement that aim at developing the pedagogical and organizational work of the schools alongside the independent goals of the institution. In order to ensure the basic conditions for self-evaluation-based school improvement (i.e., school-based quality management), not only the hitherto nonexistent tasks should be deployed to the schools, but also the necessary *organizational, financial, and professional autonomy* should be ensured that will allow for internal adjustments. The underlying assumption is that *the school is an organization that mediates between external expectations and the actual teaching-learning process*.

Obviously, organizational goals should focus on the very purpose of education: the learning of students. Improving learning entails improving all activities within the schools that can be described as the “core business” of the institution: the program (curriculum) of the schools, the way teaching and learning are organized, and the methods of teaching. Even on the basis of same goals for education (i.e., without introducing choice in education) the diversity of the background and the personal characteristics of students entails diversity in how these core components of the work of schools should operate. We should be aware of the fact that schools are different, even if we do not like to admit this and hide the issue of diversity behind the illusory facade of unified central regulations.

However, even minor changes to the program, the organization of learning, and the teaching methods have implications for other organizational aspects of the work of the schools. (We will return later to the problem of the too-slight impact of “pedagogical innovations,” which in many cases collide with a wall of unchanged organizational environment.) Adjustments in terms of the use of available human, financial, and material resources, as well as changes in the internal cooperation and management frameworks, are the *sine qua non* conditions for the improvement of the “core business.”

Figure 4.1
The Framework for the Adjustment to Desired Learning Outcomes in Schools



Therefore, autonomy is the condition that makes it possible for schools to become more than mere executors of guidance and directives from the top. We should not have any doubts about the fact that no schools can be developed from the outside; only the management and the teachers of the schools can improve their own work themselves. This whole-school approach calls for a very different pattern of school organization and management (see Chapter 8).

However, this increased autonomy should be matched with increased accountability. Since the school are mediating between external expectations and the actual teaching-learning process, contemporary quality evaluation systems are adjusting to the whole-school approach that follows from this. In other words: not individual teachers but schools should be held accountable for the failures and successes of the learning of students (see Chapter 12). Needless to say, holding schools accountable for the learning results of their students does not have to mean maintaining the rigid process of control that is the main handicap of centralized management systems.

4.3 Local Self-governments: Ownership

In spite of the prevailing rhetoric of decentralization, the current role of local self-governments in providing educational services is marginal in South Eastern Europe. Local self-governments were given property rights over school facilities in Romania and Croatia; they have a limited role in financing recurrent costs in Romania, Bulgaria, and Croatia; but they do not control the service provided by the schools in the least. So far, devolution of the responsibility for primary and secondary education—even as a long-term vision—did not appear on the decentralization agenda in the majority of these countries.

However, at the level of self-governments the essence of the authority that might be devolved to them is the creation of full ownership over the schools and the service they provide. This means, that basically the same “package” of functions should be allocated to the owners, regardless of the type of self-governments or the type of education. In other words, ownership deployed to local self-governments (municipalities) or to regional self-governments (counties) is not a different set of authorities. Nevertheless, as mentioned earlier, the same content of ownership does not necessarily mean the same level of ownership; different levels of education may logically be deployed to different levels of self-governments.

Ownership is created by devolution; in fact, it is not the school that self-governments are taking over, it is the task to provide educational services for all students who are at the age of mandatory schooling and living on the territory of the self-government. Ownership of schools flows from the mandatory task of service provision. The concept of “ownership” in relation to schools is not necessarily different from that of corporations. On the one hand, it includes decision-making on strategic issues, such as the approval of strategic documents or the budget of the schools, appointment of schools directors, etc. On the other hand, it does not include any form of “micro-management,” that is, interference with the internal financial and organizational management or human resource management. There are countries in which the concept of the ownership of schools is “sector neutral”: the same rules apply for public and private schools. In other countries, the mandate of school owners or “school maintainers” is set only for local governments. If ownership is devolved to different level self-governments, it is essential that the central government not exercise such authority over any schools.

The new role of the self-governments means that the owners will act as “interfaces” between national governance and school management: beyond the authority that flows from their autonomous authority, they will mediate and transfer national/regional policies and rules. However, the transmission of national policies is also a matter of interpretation; it does not mean that the owners have no priorities and expectations of their own. The framework for the harmonization of national and local expectations is created almost automatically over the course of decentralization, if the management of

education is more or less integrated into the mainstream line of public administration. For example, it would be the case in Croatia if further decentralization steps would be initiated. However, if there is a separate line of education management, the creation of the integrated ownership role is a difficult process. For example, it would require the complete reconsideration of the functions of the Regional Departments in Serbia, or detaching all management related functions from the Regional Inspectorates in Bulgaria and Romania that—in spite of their core evaluation function—are performing a great deal of administrative management tasks. The same applies to financing: in a decentralized system in which ownership is devolved to local and regional self-governments, they serve as “interfaces” between the different underlying logics for financing the self-governments, which should be determined on the basis of the number of students, and financing schools, in which expenditure is determined by the number of classes (see Chapter 10).

The definition of the actual functions to be deployed to local self-governments partially flows from the required autonomy of schools. Assuming that the scope of school autonomy is somewhat similar to the “ideal type” described in the previous section, the division of labor between the owners and their institutions is based on the fact that education is a public service funded by public resources. Therefore, in a decentralized system the major core functions of the owners are: (1) the approval of all documents of the schools that determine the goals of the service, (2) the approval of the budget containing all costs of the service provision, (3) the employment of the director who is responsible for service delivery and for the use of public resources. All concrete decision-making competencies deployed to the owners are flowing either from these three functions or supplementary ones.

The other question is the division of labor between the central government (with its deconcentrated administrative branches) and the owners of the schools. In other words, what are the functions that self-governments perform within the scope of their autonomy and what are those central functions that they transmit through their own administration (if this transmission task is not deployed to deconcentrated agencies)? In this respect the concept of the ownership role is one of the selection criteria, again. The three most important such functions are the following:

- In a decentralized system, self-governments that are gaining control over the local networks of schools should also receive the instruments that allow for balancing the supply of educational services (school capacities) with the demand (number of children to be enrolled). Therefore, national service provision standards should allow space for local considerations. (For example, by a state budget financial allocation to the self-governments that is not earmarked.)
- To a certain extent, local self-governments mediate between the needs of the clients (parents) and the schools and convey the needs of the local community. It

means that setting goals for education at the national level should leave enough space for local interpretation and/or setting supplementary local goals.

- Financial, legal, and professional accountability are ensured by mainstream supervisory and control organizations, as well as by national educational inspectorates. However, in decentralized systems in which local public services are being funded by the budget of the self-government, performing regular legal control and financial audit is an obligation. In terms of professional accountability, the task of the self-governments is regular performance evaluation of the school directors.

There are two other functions that—although not necessarily flowing from ownership—might be part of the self-governments’ task portfolio:

- Several decades of experience show that a narrow and isolated sectoral (health, labor, education, housing, etc.) approach has not ensured greater equity for disadvantaged groups, such as Roma and other minorities, displaced persons, etc. Those local governments will be successful that can connect all these public services with the flexibility that allows adjustments to the diverse lives of families and individuals. Therefore, local self-governments should have special mandate in this respect.
- For more than a decade, the reigning pattern of educational development has connected cooperating schools within development consortia as an instrument to promote horizontal learning. It is even more effective if the cooperating schools are institutions in the same local school networks, within which the horizontal and vertical mobility of most students occurs. Local self-governments that are coordinating local development consortia may connect development with their long-term service provision plans (see Chapter 16).

All of these functions, if deployed to local self-governments, have implications for how the major functional governance instruments—especially financing and management functions (such as planning)—are reorganized.

The evolution of the relationship between local self-governments and the schools in the course of decentralization has its typical patterns. The degrees of the intensity of ownership are the following:

- “*Supporting the schools*”—in completely centralized management systems local self-governments do not control any aspects of the operation of schools. However, due to the sentiment of “ownership,” self-governments strive to support “their” schools with minor assistance, such as painting the walls during the summer vacation, purchasing small equipment, or providing free housing for teachers if they settle in the village where the school is located.

- “*Financing the schools*”—in most cases the task of financing the recurrent maintenance costs (all recurrent costs apart from salaries) is deployed to self-governments. Sometimes self-governments supplement it with minor capital investments. Also, sometimes self-governments contribute to the costs of certain extracurricular or other supplementary activities of the schools. However, taking part in financing still does not entail any influence on the core service provided by the schools.
- “*Maintaining schools*”—in rather decentralized systems the above-described ownership is established in legal terms. However, self-governments are still intent on ensuring the work of the service provider institution without interfering with the goals and content of the actual service. The typical concern of self-government within this type of relationship is the “problem-free” operation of the school.
- “*Using the schools*”—here, the school owner tends to regard the school as a strategic instrument that has the potential to serve local social, economic, or cultural objectives. In this case, all instruments at the disposal of the self-government are used in order to influence the content of the service provided.

4.4 The Levels of Regions: Separating Diverse Functions

In general, regions refer to several different levels of management; first are the “statistical regions” (NUTS 2) and the counties (NUTS 3). In addition, in countries where each individual settlement is a separate local self-government, the territorial units with the average size of a Serbian or a Bulgarian municipality are considered to be “small regions” (e.g., in Hungary). In South Eastern Europe, however, the NUTS 2 level is almost empty. Even if EU member or candidate countries (like Bulgaria or Croatia) established the statistical regions, no serious functions were deployed to them. The exceptions are those countries where the constitutional framework of governance is fragmented (Bosnia and Herzegovina) or allows for the autonomy of certain historical regions (Serbia). In fact, Vojvodina and Republika Srpska are quasi NUTS 2 regions, even if they are not established as such.

As a result, most South Eastern European countries placed all major regional functions within their respective counties. In most of these education systems, the county level is a depository of various distinct—and sometimes contradictory—functions. Their key characteristics are: (1) a *compression of functions* in the counties that are typically placed at multiple levels in most Western European countries, and (2) the *institutional integration* of diverse, very often contradictory, and mutually exclusive functions.

In relation to the governance of education, five clusters of regional functions deserve special attention: (1) ownership of schools, (2) deconcentrated educational

administration, (3) professional accountability institutions (inspection), (4) professional services, and (5) integrated territorial planning.

Concerning the *ownership* of those schools that enroll students from a larger area than their own municipalities, the most important issue is the existence and scope of self-governance that might be the target for transferring the authority described as ownership. For example, in Bulgaria there is no self-governance at the level of counties; therefore, ownership over general secondary and vocational schools will be still exercised by deconcentrated government branches, even if municipalities would take over the primary schools. In South Eastern Europe the other end of the spectrum is Croatia, where self-governance at the level of counties is much better established than in the municipalities. In an ideal case the composition of ownership-related decision-making “packages” is basically the same, regardless of the level of management or the type of the school.

Although the owners of the schools take over a large number of *educational administration tasks* in the course of decentralization, there still are certain functions that remain in the pool of central government responsibilities (such as legal and administrative control). Nevertheless, it is worth bringing them closer to the owners and to the service delivery institutions. Also, there might be new agencies or instruments that are created by the modernization of the governance of education (such as the administration and quality assurance of external examinations and student performance surveys). Although it might be logical and more cost-effective to concentrate these deconcentrated administrative offices at the NUTS 2 level, it is not an option in the medium term for most countries of the region. The important point to be emphasized in relation to deconcentrated administration is the need to separate these functions from everything else: from ownership, from professional accountability mechanisms (inspection), and from professional services. (As reported earlier, this is not the case in most of South Eastern Europe.)

The *external evaluation* of the schools (inspection) and *professional services* will be discussed in detail in separate chapters (see Chapter 12). Two considerations should be advanced here. As with deconcentrated administration, in order to ensure the work of these functions at their possible potential, as well as in order to ensure the basic conditions of their professionalization, both functions should be institutionalized and separated from all other functions. In general, integrating different functions within the same organizations always damages all the functions involved. Piling up several contradictory functions within county-level organizations (such as inspection, administrative management, financial management, professional support, information gathering and reporting, etc.) is common to Romania, Bulgaria, Serbia, and Croatia. For example, in Croatia professional inspection (“expert pedagogical monitoring”) is run by the Education and Teacher Training Agency (*Agencija za odgoj i obrazovanje*). In fact, the tasks of the Agency are composed of contradictory support and accountability functions, within

which the support functions, such as in-service teacher training are the dominant ones. Since the director of the Agency is aware of this contradiction, he only runs inspections in the event of conflicts. However, this co-habitation is detrimental to the in-service training system, too. Training programs provided by the Agency's advisors (*savetnici*) rarely extend more than a few hours, the topic of which is determined by the advisors, themselves.

The second point is a very important distinction between inspection and professional services: while inspection (external professional evaluation of schools) is a state-run quality assurance mechanism through which the central government exercises its responsibility for the quality of educational services, such constraints for professional services do not exist. The task of providing certain professional services for schools, teachers, and students can be devolved to self-government. In this case the owners of services provider institutions will be the self-governments, and the status of these institutions will be very similar or even identical to that of the schools. Also, in demand-driven (partly privatized) systems the service providers can be any type of organization. (Providing certain types of services that remain government responsibilities does not mean that it entails government-run service provisions; such responsibilities can be exercised by a central financial contribution to the service provision.)

There might be a difference between inspection and professional services in terms of the appropriate regional levels at which they are placed, too. If the construct of public administration will allow for this, due to its lower human resource intensity and its (partly) standardized nature, inspection can be organized at the NUTS 2 level. In relation to professional services, it is much harder to point at the most appropriate level, because it might be very different in the case of different services. For example, for services that should reach out to all students on a regular basis (such as dyslexia or dysgraphia prevention), even the counties might be too large. There are others, (such as advisory support to school-based quality management) that can reach out to all schools if placed in county pedagogical centers. The third type is those services that require well-equipped, expensive facilities (such as teacher training centers) that are better to establish within larger regions. However, creating a professional service system that is present at too many levels also makes it overly fragmented and does not allow for the coordination of and effective investment in such capacities.

While in the case of the previous four clusters of regional functions the only harm that placing them in the counties (instead of operating larger NUTS 2 regions) is making them more expensive, the case with the fifth regional function of *integrated territorial development* is different. For most aspects of territorial development, the counties are too small, and these mechanisms definitely call for NUTS 2 level institutionalization. (Of course, it does not apply to small countries like Montenegro where this function is identical to national level development.) However, the relevance of educational services as a pool for human resources is uncertain if the sectoral logic of governance is

not balanced with an integrated framework for territorial development. Although this system is rather weak or hardly exists in most South Eastern European countries, the establishment of such a mechanism and/or the integration of the current mechanism is inevitable. For example, in Croatia quite recently, the allocation of central funds for capital investments in education or the planning of secondary vocational school network was not connected to wider regional planning. In the long-run, part of these functions is better placed within the frameworks for territorial planning and development in NUTS 2 regions.

A full-fledged integrated regional development system includes the following main functions: (1) *planning*, or regional planning on the basis of the combination of bottom-up and top-down planning; (2) *stakeholder consultation*, or the involvement of all relevant stakeholders, such as business enterprises, professional organizations, universities, self-governments, the representatives of interested ministries, etc.; (3) the *allocation of decentralized development funds* (domestic and EU structural funds), meaning the allocation decisions and the management and monitoring of the resource allocation; (4) sometimes the operation of *information systems* that serve regional planning.

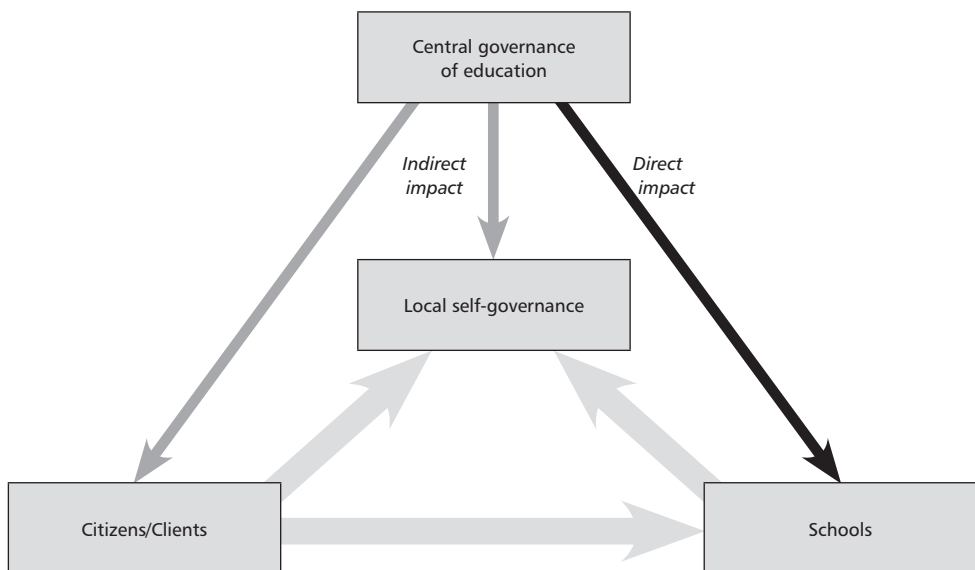
4.5 National Level: Strategic Steering and Policymaking

Decentralization can have a dramatic impact on the role of national level governance of education, though this is often ignored or brushed aside. (Both the academic literature on decentralization and decentralization strategies of different countries focus almost exclusively on the changing role of lower levels of management.) In a centralized education system, governance and management are not very distinct terms: governance rarely goes beyond management that serves administrative and—sometimes—strategic purposes. However, in the course of decentralization, the great majority of administrative tasks are delegated or devolved to lower levels of management that—by “liberating” central government agencies—can change the pattern of how the core functions of central government agencies are exercised. To a certain extent, decentralization works to detach governance and management. But obviously, it does not reduce the responsibility of governments. What changes is that *the direct tools of administrative management are replaced with the indirect tools of strategic steering*. Governments must set expectations; influence the flow of students, human and financial resources, knowledge, and information within the education system; and verify the outputs of the system without having direct control over the related decisions (Radó 2004).

In a decentralized education system, governments are working through autonomous actors. However, this does not mean that ministries necessarily lose control over management. For example, the school policies of local authorities can be influenced by the use of a wide range of direct (e.g., regulation) and indirect (e.g., incentives) instru-

ments. It changes the very nature of central regulation. The point of departure to create this system is serious deregulation; the great majority of detailed secondary regulations should be withdrawn, while some of them are to be replaced by the mandate given to local self-governments and schools to regulate within broadly defined frameworks created by national laws. For the sake of illustration, we are returning to the example of the appointment of directors: instead of the minister of education appointing the school directors (as was the case at the beginning of the decade in Macedonia), in decentralized systems the ruling pattern is procedural regulation: deploy the mandate for making a decision on the appointment and prescribe the procedural rules for an open selection procedure specifying the qualifications of any potential job candidate. Also, an indirect instrument of governance that gains its importance only in decentralized systems is influencing the decisions by influencing the behavior of the clients of educational services (i.e., parents and students). For example, informing parents about the quality and effectiveness of the services provided by the schools (combined with the free choice of schools) is an instrument by which their decisions can be influenced effectively. The underlying assumption behind the use of indirect means of governance is that local actors (school-owning self-governments and their clients) will hold the service providers accountable, and that guarantees a certain level of quality and effectiveness (see Chapter 9). These indirect means of influence have the potential to generate strong adjustments within the schools.

Figure 4.2
Direct and Indirect Central Governance



The important consequence of decentralization—beyond making central government control over educational services remote and indirect—is the fact that it also dramatically increases the number of administrative and non-administrative actors involved. The growing complexity of the governance and management system makes the instruments of central governance more complex and sophisticated, too. Thus, although the claim that decentralization should lead to the radical reduction of the number of staff in ministries in education is well justified, this should not necessarily apply to the overall number of professionals who are involved in the various functions and different institutions of governance.

As far as the role of the *ministries of education* is concerned, parallel to the slashing of redundant capacities, it should build new ones, though not exclusively inside the ministry. The effective governance of decentralized education systems has its *systemic conditions*. These conditions can be grouped into three categories: (1) improvements that enable central government agencies (the ministries responsible for education) for strategic steering, (2) instruments that flow from the indirect nature of governance, and (3) instruments and mechanisms that ensure the quality of the operation of autonomous actors. We will return later to most of these instruments in details in the chapters on management, financing, or other functional strands of decentralization. However, a preliminary list of the major functions in relation to the changing role of ministries is a good indication of the metamorphosis of central governance.

The improvement of central governance hinges upon:

- *Effective policy coordination.* Although the most important player in governing education systems at the national level is the ministry of education (that very often holds other responsibilities, such as those for culture, sports, youth, or science), in many cases responsibility is shared with other ministries (for example, ministries of labor may supervise formal and adult vocational training). Apart from this sharing of responsibilities, almost all other ministries are interested in the operation or results of the education system. (For example, the financing of self-government might be part of the budget of the ministry of interior, the state budget is planned by the ministry of finance, while financial planning for education is managed by the ministry of education.) The effectiveness of coordination among the different departments of the ministries of education is also essential. But relative weakness of formal intergovernmental cooperation is a common feature of the region. Since decentralization increases the demand for intergovernmental cooperation, which cannot succeed without the improvement of formal decision-making procedures, governments risk losing control.
- *Institutionalized stakeholder involvement.* Institutionalized formal stakeholder consultation systems are operated to improve the quality of decision-making at the central level and to increase the “implementability” of decisions. However,

a side-effect of such a system is that the ministry of education becomes the focal point of decision-making by balancing direct political influence on professional and policy decisions. In a sense, increasing the weight of the views and interests of various stakeholder groups by open consultation procedures contributes to the partial depolitization of governance decisions. (Note: Any decisions with implications on the use of public resources are by definition political decisions. The need for depolitization refers simply to the dominance and direct influence of political parties on governance or management decisions, such as the appointment of directors of certain institutions or the actual content of curriculum.)

- *Professional self-regulation.* Due to the required sophisticated methodology the legitimacy of certain types of decisions cannot be ensured properly if they are made by political or administrative actors. For example, while the legitimacy of curricula or standards can be ensured by the involvement of educational councils and professional organizations, there are certain instruments that can be legitimized only by a specialist (e.g., examination or assessment tests or criteria of school evaluation). Therefore, it is worth considering delegating the control of the development and use of such instruments to independent professional bodies, such as national evaluation councils or independent, self-governing national inspectorates.
- *Diversified network of support agencies.* One perpetual problem for ministries of education in the South Eastern Europe is the lack of sufficient organizational and professional capacities for the implementation of changes. It is partly caused by the fact that nearly all of the functional governance instruments (that will be discussed in Part 3) are operated directly by the staff of the ministries or by individual experts commissioned to *ad-hoc* task forces. In spite of the lack of policy and program evaluations, we may assume that most initiatives have not been fully implemented. Removing some professional functions from the ministry is also the condition of “liberating” the ministry from any functions that contradict its new strategic steering and policymaking role.
- *Strategic communication.* Convincing autonomous actors about the objectives of central initiatives and supporting their interpretation requires a very intensive professional communication about these strategic objectives. However, the behavior of central governance agencies in the region is still based on the illusion that if something is regulated, then the actors at the lower level will automatically adjust.

The adjustments to the indirect nature of central governance depend upon:

- *Standards, benchmarks, and procedural rules.* Decentralization requires a great deal of revision to existing regulations. For South Eastern Europe, the primary way to ensure local and institutional autonomies would be a radical reduction of ministerial regulations and increasing the weight of regulating by laws, or regulating at the level of the government on the basis of the mandate given by law.
- *Financial incentives.* The allocation of financial instruments does not simply aim to make the necessary resources for service delivery available. It is also one of the most important instruments for change. For example, financial incentives can be used to promote school-based development, and financial disincentives might be very instrumental to combat separation and segregation in education. However, incentives in the form of small grants allocated through open competition do not necessarily promote sustainable solutions to educational problems. Therefore, the mainstream allocation system should be enabled to incorporate the use of incentives on a normative basis.
- *Multilevel planning system, planning of capacities.* Autonomous decision-making should be matched with mandatory mid-term planning at all levels of the management system. Importantly, the creation of a multilevel planning system also changes the role and type of planning at the national level, because ministries of education are not entitled to plan on behalf of autonomous actors in a decentralized system. (It does not mean that national planning should not incorporate those instruments that influence planning at lower levels.)

Ensuring the quality of autonomous management actors relies upon:

- *Professional, legal, and fiscal accountability.* In a decentralized system it is not the ministry that should operate legal and fiscal accountability assurance institutions and procedures. (Of course, the ministry should have a department for legal and fiscal control over its own institutions.) However, it is the ministry of education that should ensure that the mandate and the actual operation of such state agencies are covering all actors in the management of education, that the findings of these agencies are followed up, and that the mandate of lower-level management agents in this respect are clear. The area that is under the direct responsibility of governance of education is operating professional accountability systems (i.e., external school evaluation).
- *Empowerment of actors, capacity building.* It is a widely shared view among public management experts that the border efficiency of decentralization is determined by the preparedness of the actors at the lower levels to take over certain

authorities. Indeed, without the appropriate organizational and professional capacities in place, decentralization may lead to the decline of the quality of management. Therefore, all decentralization measures should be matched with heavy investments in capacity building. However, in the practice the underlying logic of change is somewhat the opposite; several times—partly because of the pressure of the limited time given within one government term—authority is devolved to lower levels too rapidly and all the actors are forced to catch up to the requirements of the new responsibilities.

- *Mandatory self-evaluation and quality management in schools.* To a certain extent, decentralization is about abandoning the illusion that quality of educational services can be ensured by anybody outside of the schools. Deploying the primary responsibility for quality to the staff of the schools should be matched with deploying the mandate to operate the instrument of quality assurance. It is the most important instrument that has the potential to generate internal professional accountability, as well as the tool that enables the schools to respond to the signals of external accountability systems.
- *The information basis of management.* Sharing responsibility for all of the management functions, such as decision-making, planning, or staffing, also means sharing the information that is needed for performing these functions. However, it is not a simple task to making available those educational statistics that the ministry has at its disposal; this is partly because the type of information needed at the local and institutional levels is not necessarily the same aggregated information that ministries use. (For example, local decision-making without a statistical system that does not allow for the tracking of individual students is very hard.) Also, since decentralization dramatically increases the number of players, sharing information is not a simple task anymore; it requires sophisticated information management systems. In addition, new types of governance instruments to be developed, such as the external measurement of the performance of students and schools, must have feedback mechanisms that can be incorporated into the mainstream information system.
- *The knowledge basis of education.* Education, that is, the transmission of knowledge, is one of the most knowledge-intensive services. In spite of the triviality of this statement, the actors of educational service delivery in most countries of the region are working in a very poor knowledge environment. Apart from traditional channels of knowledge sharing, like printed pedagogical periodicals or one-day “seminars,” knowledge management in education means the use of several other channels: (1) the free market of working ideas, programs, methods, content carriers, and instruments that are available online, (2) the operation of knowledge multiplication through institutionalized advisory and consulting

services, (3) operating institutions that, by connecting educational research with the actual needs of the actors of service delivery, do knowledge management (mainly targeting directly the agents of knowledge multiplication), and (4) deliberate investment and import of knowledge and international professional cooperation.

Box 4.2

The Functional Map of Centrally Institutionalized Services
(The Network of “Background Institutions”)

- Empirical educational research, system monitoring, and policy analysis
- Curriculum and program development, the development and verification of educational achievement standards
- Development of education (methodology and knowledge basis of development, pilot programs, support to those agencies that work directly with schools)
- External assessment (the international and national measurement of the performance of students, examinations)
- Technical operation of development funds and programs
- Quality assurance of INSET providers and programs
- National inspection (the external evaluation of schools)
- Operating the information system of education

Having all these instruments at the disposal of ministries of education may ensure the operation of the governance and management system; however, it does not necessarily ensure that the required changes are implemented in order to solve certain problems. Decentralization is changing the pattern of policymaking and implementation, too (see Chapter 14).

CONCLUSIONS

An Analytical Framework That Fits the Context

An Analytical Framework for Decentralization in Education

Clearly, decentralization in education can be understood as an extremely complex process with its own set of distinct problems and many tangents leading to matters that are only remotely connected with the governance of core educational functions. Also, some aspects of decentralization are more relevant to South Eastern Europe than others. In order to avoid getting lost, an analytical framework should be offered that might be instrumental in the design of any further systemic changes in the governance of education in the region. Therefore, there is a need to provide the reader with a conceptual skeleton that brings some streamlining into the complexity of decentralization-related matters.

Several taxonomies of decentralization have been created by many authors on the basis of the forms and targets of transferring decision-making authorities. However, due to the diversity and contextual nature of the actual content of these types, they are rather metaphors; they may well serve academic and practical professional discourse but do not necessarily help to design the required changes. For the sake of ease and understanding, the definition of decentralization that will be applied in the following chapters and the selection of the most relevant aspects will be based on the disaggregation of the various types of decentralization.

First, not all of the forms of transferring authority to lower levels will be addressed in the following pages. For example, deconcentration—that is a strong feature of the inherited centralized management systems in almost all the countries in the region—is not very relevant for two reasons. Although it is extremely important, ensuring the technical efficiency of public administration in general is not the main concern of this book. Matters such as rule of law and transparency public administration issues will not be discussed in detail. The division of labor between national government agencies and their deconcentrated branches are important only as they connected to the conditions of applying other forms of authority transfer. The other reason for the marginal role that will be given to deconcentration is the fact that it does not really respond to the most important rationales for decentralization of any regional relevance. For example, in a centralized system the impact of deconcentration is the incrementation of the already overwhelming power of the center. Due to these two considerations, the two forms of

authority transfer to be focused on are those that do not simply change the locus of decision-making but also involve non-administrative (political or professional) actors.

The same limited attention will be paid to the delegation of authorities to private enterprises (i.e. to privatization). This book concentrates on the levels of education that are provided almost entirely within the period of mandatory schooling. The privatization of primary and secondary schooling at best plays a very marginal role in the European education systems.

Therefore, the scope of the working definition of decentralization in education that this book will apply is not complete. On the following pages, by decentralization we will mean *the delegation or devolution of the authorities from central government agencies to actors at the lower levels of management by involving non-administrative actors in decision-making*. In this sense, decentralization means two changes, both of which are equally important. Its obvious meaning refers to the locus of decision-making: the delegation or devolution of decision-making competencies to lower (regional, local, or school) levels of management. The second, rarely emphasized component refers to the actors of management, that is, to the involvement of non-administrative actors in the decision-making, such as the involvement of politically-elected representatives of local self-governments or the involvement of teachers in school-based decision-making. In other words, *decentralization is per definition power sharing*; it deploys authority to autonomous actors.

Beyond setting the working definition of decentralization, other decisions are to be made in order to design the guiding analytical framework. The first one concerns the scope of the framework: it should integrate the public administration and the service delivery approaches to decentralization. The major concern, why the design of decentralization measures should attempt to integrate the two approaches, is the requirement of *systemic cohesion* within the education sector. For the sake of illustration, we will cite a few examples: centralized, government-controlled curricula may reduce the impact of fiscal decentralization to the realm of recurrent maintenance costs because it standardizes the labor needs of the school programs. Also, increased school autonomy and responsibilities will definitely increase the professional support needs of schools (e.g., professional in-service training, counseling, evaluation, consulting, management coaching, methodological support, guidance, assessment, etc.). If the external professional service mechanism remained centrally managed and “supply driven,” schools will be unable to meet growing external expectations. An additional trap might be the mismatch between self-evaluation in schools and the traditional control-oriented inspection. In general, changes in one segment of the governance system generate the need for inevitable adjustments in other segments.

Another matter that offers the opportunity for streamlining is a selection among the different components of the entire systemic environment of schools. These different components (functional governance instruments) of the systemic environment are

not equally relevant from a decentralization point of view. For example, the supply of textbooks and other teaching materials is provided by market enterprises, or initial teacher training is the service of autonomous higher education institutions. Therefore, the connection between these resources and the actual way in which education systems are managed is rather remote and indirect. (Of course, the type of curriculum or financing has major implications for these services, too.) On the contrary, how in-service training is provided is part of the overall problem of professional services, connected to the actual scope of school autonomy. Therefore, the remaining five functional governance instruments that will be regarded as the major strands of decentralization in education are: management, financing, curriculum, quality evaluation, and professional services.

Table C.1.1

The Integrated Framework of Decentralization in Education

Major roles at each level	The strands of decentralization				
	Management	Financing	Curriculum	Quality evaluation	Professional services
<i>National level</i> (Strategic steering and policymaking)	<i>Functions and concrete decision-making competencies</i>				
<i>Regional levels</i> (Ownership and diverse intermediary functions)					
<i>Local level</i> (Ownership)					
<i>School level</i> (Autonomous improvement of service delivery)					

All these considerations add up to an analytical framework that allows for the structuring of a more detailed discussion on how decentralized governance and management systems work. The framework is a matrix that determines the major strands of decentralization, on the one hand, and identifies the major roles (core functions)

that should be performed at each level, on the other. By filling up the “cells” of this matrix, the actual allocation of functions and concrete decision-making competencies can be analyzed.

The Initial Steps So Far: An Overview

Although the pace of changes was different, during the 1990s Central Europe went through a very similar process of decentralization that was based on fast (Hungary) or gradual (Czech Republic and Poland) devolution of authorities to local self-governments (Davey 2002). Slovakia started the decentralization process only after 2000, and initiated decentralization in education according to the logic of its neighbors in Central Europe, too. In certain periods major decentralization measures were driven by non-educational agendas, while in other periods they served the implementation of education reform strategies. In Hungary, for example, the strengthening of the autonomy of schools was based on an educational agenda in 1985, the devolution of ownership of schools to self-governments in 1990 was completely driven by a major public administration reform, and then a curriculum reform was adopted in 1995 on the basis of another educational reform strategy. Another, more recent example is Slovakia in which the 2005 public administration reform was followed by a curriculum reform in 2008.

The first steps of the decentralization in the countries of the South Eastern Europe were made only during this decade. The only exception is Romania, where major changes were implemented already in the second part of the 1990s. The initial steps were determined by the context: the dynamics of the competing rationales and the obstacles to decentralization. Therefore—apart from the lack of comprehensive education sector strategies—it is hard to find any common regional patterns about how the different countries engaged in decentralization. The process of decentralization is fragmented and keeps certain strands of the governance system untouched, and due to the fact that only minor changes were introduced so far, grasping patterns or major directions even within the individual countries is impossible. Therefore, instead of providing a comprehensive regional overview, a few examples will be provided in order to demonstrate the diversity of contexts.

In *Romania*, initial steps were made with gradual fiscal decentralization in 1995, 1998, and 2001. (After 2002, the scope of fiscal decentralization was narrowed.) In 1998, the implementation of a new National Core Curriculum and school-based curricula started. In *Croatia*, the ownership of school buildings was transferred to municipal and county self-governments in a first wave of decentralization. As far as education itself is concerned, any major changes since 2001 resulted in further centralization. Planning for a second wave is in progress but the government is unsure of what steps to take. Nevertheless, the capacity for redesigning the educational agenda is still underdeveloped.

In *Serbia*, the implementation of an overall education reform started in 2001 with a very strong focus on curriculum reform, the reform of in-service teacher training, and on pedagogical school development. Although the implementation of the reform was slowed down after 2004, the major changes initiated earlier were not completely abandoned. On the basis of the developments of the reforms at the beginning of the decade, a new reform project has recently started on the realignment of external school evaluation. Due to the lack of any mainstream public finance or public administration reform initiatives, these segments remained untouched. In *Macedonia*, as the follow-up to the Ohrid Framework Agreement, education management changes were implemented in 2005 by strengthening the decision-making competencies of mayors and by the reorganization of local management responsibilities. Also, financing responsibilities for all recurrent costs apart from salaries were transferred to the municipalities as a first wave of fiscal decentralization. *Bosnia and Herzegovina* is still struggling with its frozen constitutional fragmentation, having thirteen ministers of education with various degrees of competencies in a country with a population of 3.8 million. Although at first glance the governance system may look very decentralized, in fact all constitutional fragments in Bosnia and Herzegovina operate small but highly-centralized education management systems. As a result, the main concern remains to be centralization and not the devolution of authorities. In *Bulgaria*, the first decentralization measures were introduced in financing: experiments with the so-called “delegated budgets” in a few municipalities in 2006, the introduction of unified cost standards and a new per-capita-based financial allocation system to the municipalities, then extending the formula-based “delegated budget” to the financial relationship between municipalities and the schools in 2008. These measures have an interesting feature: in spite of the fact that the initiative comes from the ministry of finance, fiscal decentralization in education is not part of an overall public financing reform; education is the only sector where partially decentralized financing was introduced. All other segments of the governance of education remained untouched so far.

Generally speaking, ministries of education are much more concerned about major reforms in the “software” of education, but these changes (such as the reform of the matriculation exam in Bulgaria, the revision of textbooks in Bosnia and Herzegovina, or the introduction of new achievement standards in Croatia) rarely have any direct implications on the centralized nature of governance.

SUMMARY

Summary of the Key Points of Part One

The key points of the previous chapters that provide the conceptual framework for the interpretation of the first decentralization steps of the countries in the region so far, as well as those that provide the basis of the construction of an analytical framework for the rest of this book, are the following:

- ▶ The major deficiencies of centralized governance and management systems in education are the very weak involvement of the key stakeholder groups in decision-making (i.e., weak democratic political legitimacy) and their low capacity to implement decisions (i.e., low professional legitimacy). These deficiencies add up to the so-called “legitimacy crisis” of centralized systems.
- ▶ Centralized systems have a strong potential to maintain their existence due to their strong inertia. This inertia can be explained by the power of arguments in favor of maintaining central control within South Eastern Europe and by the reluctance of many actors to subscribe to the major systemic changes that bring uncertainty and unpredictability.
- ▶ In very general terms, decentralization in education is about restoring democratic political and professional legitimacy of decision-making.
- ▶ The contextual justifications for decentralization are partly based on “genuine educational” considerations, such as the relatively poor performance of these education systems, and partly on the redefinition of quality in education, to which contemporary governance systems in the region do not accommodate well. The other group of practical justifications is following from governance and finance-related considerations.
- ▶ In general, the major forms of transferring decision-making authorities to lower levels are deconcentration, delegation, and devolution. The possible targets are mainly management actors at each level, and in the case of certain forms of authority transfer (delegation or devolution), with the involvement of non-administrative actors.
- ▶ The various taxonomies of decision-making competencies in education are good instruments for institutional analysis. However, these taxonomies do not easily add up to the identification of distinct functions and may cause difficulties when mapping out various authority-sharing relationships.

- ▶ There are two relevant approaches to decentralization in education: a public administration (management) approach that focuses on the distribution of authorities among the actors at different levels, and the service delivery (educational) approach that focuses on the scope and extent of the autonomy of schools.
- ▶ An operational approach to decentralization can be extracted from the inherent logic of the workings of governance systems. It is partly based on the distinction between schools and their systemic environment, as well as on the basis of taxonomy of the separate functional governance instruments within the systemic environment. (The practical relevance of these distinctions is larger in decentralized than in centralized systems.)
- ▶ Horizontal decentralization means the redefinition of the role of major actors at different levels in the course of vertical decentralization (i.e., transferring authorities to lower levels). A core set of functions (i.e., roles) can be determined for each level of management.
- ▶ The basic role of schools in decentralized systems is adjusting their core educational functions and organizational operations to the actual goals set for the learning of students within their organizational, professional, and financial autonomy.
- ▶ The basic role of local and regional self-governments is to perform those functions that flow from the scope of their ownership over educational services that are provided locally.
- ▶ Management at regional levels (NUTS 2 and 3) performs various additional roles, such as territorial planning and development, deconcentrated administration, quality evaluation (professional inspection), and professional support services. These distinct functions are to be institutionalized separately.
- ▶ In decentralized systems, governance at the national level is free from administrative decision-making tasks and performs strategic steering and policymaking-related functions.
- ▶ For the sake of ease and convenience, the definition of decentralization applied in this book does not include every possible aspect of decentralization. By decentralization we mean the delegation or devolution of the authority from central government agencies to the actors at the lower levels of management by involving non-administrative actors in decision-making. Therefore, decentralization is by definition power sharing.
- ▶ An integrated framework of decentralization in education determines the functions and corresponding decision-making competencies deployed to various actors within a matrix that includes: (1) the five major decentralization relevant functional gover-

nance instruments that are the strands of the decentralization process, and (2) the major functions that different levels of management play in decentralized systems.

- The initial steps towards education's decentralization in South Eastern European countries—with very few exceptions—were basically made after 2000. These steps were rarely based on a comprehensive sector strategy and were initiated in one strand only; fiscal decentralization was partial (Romania, Macedonia) or more radical (Bulgaria), about management (Macedonia and partially in Croatia), or about curricula (Serbia).

PART TWO

Education Service Delivery

CHAPTER 5

Key Concepts Reconsidered

5.1 The Aims of Education

During the period of mandatory schooling, education is a public good; therefore, it is a public service funded almost exclusively by public money. If our children already spend a large proportion of their active time in schools, we expect that the schools will contribute to the development of their personalities. However, the reason why we introduce a state monopoly into this service is our expectation that education will have a maximum social and economic impact by producing high and equally-distributed outcomes in the service provider institutions and by operating at the lowest possible cost. In other words, we are expecting the highest possible effectiveness, equity, quality, and cost-effectiveness. However, education is not generally effective; it is effective according to something. Thus, the first logical step is considering the aims of education against what we judge the effectiveness, quality, equity, and cost-effectiveness of the educational services. We will discuss later how goals and educational targets are set for education. What is needed here is a brief outline about how the aims of education (i.e., goals at the level of theoretical generality) can be considered in order to signal certain contemporary shifts of emphasis and to grasp the practical implications of these shifts.

When thinking about the aims of education, we can follow two dimensions: responding to *individual* and *social needs*, as well as on the basis of the distinction between *intrinsic* or *instrumental aims* (Winch and Gingell 1999). In most cases individual and social aims are two sides of the same coin. For example, improving the social skills of individual students can be considered the condition for educating good citizens. It does not necessarily apply to the distinction between intrinsic and instrumental aims; there are certain aims that are rather related to the very nature of pedagogy, such as the development of personality (self-reliance, autonomy, identity, etc.) in children, while others are related to aims that are external to the teaching-learning process, such as serving the needs of the labor market or ensuring social cohesion. The difference flows from different references: in the case of intrinsic aims, the references are based on the anthropological and/or psychological foundations of education, while the references for instrumental aims are external to education, extracted from the economic and social environment. However, these two kinds of aims are not opposable; whatever we emphasize, we should consider both types—of course, in the light of the actual emphasis.

The typical aims of education that in most cases determine the goals set in an explicit or implicit way are the following (Halász 2001b):

- *Cultural reproduction* is the transmission of all those instruments (e.g., language) and content (e.g., accumulated common knowledge, values traditions, behavioral codes, etc.) that determines the communication pattern that we call culture. A widely shared simplification of this aim is the strong focus on the transmission of a set of knowledge that is considered to be the part of the cultural code of the well-educated middle class (the “intelligentsia”).
- *The development of the personalities of individuals* is the shaping and influencing the process through which those psychological characteristics of the individuals develop and that determine their cognitions, motivations, and behaviors. In fact, all other aims incorporate certain personality development goals as the basis of the teaching-learning process. The only reason for separating this aim is that it is often emphasized in contrast to any instrumental aims in order to “protect” education from any external interference.
- *Reproducing or changing the social structure.* On the one end of the spectrum, there is the conviction that the main purpose of schooling is to imprint existing inequalities in a society. On the other hand, there are others who consider education to be an instrument that alone is able to change the status of entire societal macro-groups.
- *Economic function.* The supply of skilled labor, according to the actual and future needs of the economy, is often referred to as the human resource development function of education. The relevance of educational services, in other words, its compliance and responsiveness to the demand on the labor market, is one of the main concerns. It is important to mention, that educational services do not simply serve the needs of the economy: education is the part of it. For example, the employment of teachers is part of the labor market, or the value produced by educational services contributes to the gross domestic product.
- *Ensuring the integration of the society.* In the broadest sense, this refers to all sorts of possible contributions by education to the requirements that ensure the operability of different, separate functional subsystems of a society (economic, political, cultural, etc.). In this respect this aim incorporates all the other ones. In a narrow sense, however, it refers to the potential of education to reduce the inequalities among different groups that could endanger the stability of the society. This function is often believed to ensure social cohesion.
- *Service providing functions* are those that are beyond—or connected to—the core function of education that is a service by itself. In most countries schools

are performing several supplementary functions that have very little or nothing to do with learning, such as welfare, health, cultural, or community services. In most cases, they are justified by the contribution of such services to the core educational functions (e.g., hungry children cannot learn) or simply deployed to schools because other service providers would fail to reach out to their target groups, as in the case of some social allowances or dentistry for children. In all education systems there is an aspiration to connect educational and supplementary services as much as possible.

- *Modernization* is especially emphasized in Central and South Eastern Europe, where “organic development” (that is, modernization through market mechanisms) would hardly ensure “catching up” to the most developed countries. This function is emphasized in relation to certain aspects of development that are considered to be “modern,” for example, the use of information and communication technologies or the protection of the environment.

While again reminding the reader that the distinction is quite artificial, it can be added that the first two aims are mainly intrinsic ones, while the rest are rather instrumental. It is important to keep in mind that education in and of itself is not the only factor that contributes to the achievement of any of these aims. In addition to this, the relevance of the different aims might vary across different levels and types of education. For example, in the initial phase of primary education even the most important instrumental aims are served mainly through the appropriate achievement of intrinsic ones. (That does not mean that external references are less important.)

Obviously, the choice among the emphasized aims of education is not independent from values. Also, it often happens that the political struggles in the “symbolic space” of politics result in the distortion of the real meaning of certain aims (such as setting “nurturing” against “service” that is often heard in the region). However, what is important here is the distinction between different traditions that are not independent from the lenses of the various professions. According to the two dimensions of the possible aims of education—while taking the risk of unjust simplifications—there is a “*pedagogical approach*” putting greater emphasis on rather intrinsic aims (usually called the liberal tradition) that brings individual values, and there is a “*public policy approach*” (or instrumental approach) that emphasizes the external (economic and social) references of the goals set for education.

The reason for using this somewhat ambiguous separation of the two traditions is to indicate a visible *shift of emphasis from intrinsic to instrumental aims* that has taken place over the last couple decades, with major implications for the governance of education. This shift is a consequence of the ever-accelerating transition of the external references of educational services. Some of these changes are global ones, such as the use of new

information and communication technologies. Meanwhile, there are others that are more specific to developed countries, such as the changing structure of modern economies, which has a huge impact on the composition of the labor force, the fragmented configuration of the middle-class that diversifies the expectations of education, or the postmodern reappraisal of rigid, socially-bound cultural codes. Finally, there are those changes that have regional relevance, such as demographic declines that can nearly empty schools in rural areas. Likewise, a similar change is the transformation of the political superstructures of the society that result in changing the dynamics among their representative, corporative, and direct participatory institutions and that reorganize the power relations among different groups, each touting different expectations of education. The cumulative impact of all these changes is the increasing pressure on education systems to adjust to the weight of various public policy considerations at the expense of traditional “pedagogical” deliberation.

One of the reasons why various intrinsic and instrumental aims are often regarded as conflicting—or even mutually exclusive—is the perception that serving different goals should be achieved within the same limited teaching time. However, as will be seen in the next chapter, this contradiction exists only if we think that all the possible aims correspond to a certain pool of knowledge, that is, to the appropriate content of education.

5.2 External Effectiveness: The Impact of Education

The pressure on education to adjust has inspired policymakers to better connect these two distinct aspects of expectations: *external effectiveness*, that is, the social and economic impact of education, and *internal effectiveness*, that is, educational outcomes. Better connection means that internal goals are derived from external ones, while the validity of internal goals is assessed against external references.

In most cases, how we determine our goals is very much influenced by how and what we measure. Indicators play an outstanding and growing role in setting goals for education; in fact, they often serve as substitutes. While setting measurable goals is a basic condition of informed governance, we are facing a trap as with any measurements: what we measure has the tendency to become a verifiable problem, whereas what we do not measure remains invisible. As far as external effectiveness is concerned, and education being a public service, in most cases public goals are emphasized: the impact of education on employment indicators, on spending on health services, on crime rates, or on political attitudes. Promoters of the liberal tradition often criticize the use of such indicators, claiming that they impoverish the way of thinking about education by narrowing the scope of our approach. Indeed, we should be aware that indicators are proxies, and that they simply indicate complex problems and are not identical to them. However, as will be seen in the third part of this book, indicators are policy instruments,

and as such, they are used for public purposes. We do not measure the “happiness” of individuals; not only because it is quite hard to measure, but because it is simply not the business of the governance of education.

Here, education’s impact can be considered on the basis of the *individual approach*, that is, we may analyze the impact of participation in education on the basis of the competitiveness or well-being of individual learners, or we may follow a *collective approach* that focuses on the relative position and status of various social groups or nations. In the huge evaluation literature, almost all relevant aspects of economic or social life are connected with education. The most typical economic aspects are the return of investments in education in terms of earnings, employment opportunities, as well as its impact on innovation capacities or consumption patterns. Various social impacts regarding educational attainment could include a basket of issues such as teenage pregnancy, juvenile crime, drug use, health, or technological literacy. Also, its impact on political participation or on the patterns of the consumption of cultural products is often analyzed. The aspect of the impact of education that is emphasized—to a certain extent—is contextual. For example, one of the indicators widely used in the United States is spending on charity, which is rarely measured in European countries. Nevertheless, whatever our main concern, the correlation between educational attainment and the related indicators has almost always proved to be strong.

Box 5.1

Human and Social Capital

Human Capital

Human capital is the ability of labor to produce economic value. This ability is partly gained through participation in education and training but also by accumulating experience in the practice (credentials). Human capital is one of the resources of production, such as physical means. Therefore, investment in human capital brings additional output such as investment in technology. It is not important only for the renewal of the structure of capital; if the development of human capital does not keep up with the development of physical capital, it becomes a barrier to economic growth. In contemporary developed economies the return of investment in human capital is higher than that in physical capital. Human capital is substitutable but not transferable. There is a distinction often made between *specific human capital* that is required for a specific job or for a certain employer, such as certain vocational skills, and *general human capital* that is useful in any job and almost for all employers, such as literacy skills. The value of human capital is not carried only by individuals; in “high human capital environments,” the economic value that individuals may produce is higher.

*Box 5.1 (continued)***Social Capital**

Social capital is a concept that refers to connections within and between social networks, as well as connections among individuals. The underlying assumption of the concept is that social contacts affect the productivity of individuals and groups. In this sense, social capital is a resource that is based on more or less institutionalized relationships of mutual recognition and support that facilitate certain actions within the network by trust, reciprocity, and shared norms. The operation of social networks is often associated with the operation of institutionalized frameworks of cooperation among individuals. However, due to the weakness or dysfunctionality of institutional settings and widespread distrust in a society, sometimes informal social networks serve as substitutes. Contemporary community sites on the internet opened new channels through which social capital has been accumulated and maintained. The typical indicators of social capital are associational membership and social trust. Education contributes largely to the development of social capital. However, the mechanisms through which learning contributes to the accumulation of social capital are not clear.

—*The Well-being of Nations* 2001

5.3 Internal Effectiveness: Students' Progression in the Education System

Participation

The traditional meaning of the internal effectiveness of education is based on the simple fact that the more time somebody spends in formal education (the higher level of qualifications she or he obtains), the better. Of course, this simple method is corrected by two factors: (1) what kind of further participation the actual level of completed education makes possible, and (2) the relevance of the labor market to actual educational attainment. For example, completed secondary education that entitles graduates to apply for admission to higher education or a secondary vocational qualification that allows graduates to seek better-paid jobs with lower risks of unemployment are considered to be more valuable than others. Due to the increasing average length of participation in formal schooling, especially because of the expansion of general secondary and higher education, the “threshold of success” is perpetually rising. (For example, the actual

related indicator of the European Union is the proportion of students with completed upper secondary education.) It inevitably leads to the devaluation of the attainment of middle-aged and older generations that the supply of adult education attempts to compensate.

The most important aspects of participation in formal education are the following:

- The *length of participation* in formal education. The most typical indicators are the average years spent in education, the expected average years that five-year-old students are expected to spend in education, the highest level of education completed, etc.
- *Progression* in formal education. The typical indicators are the enrollment rates at different levels and types of education.
- The different forms of *failure* and the use of *correction routes*. The most widely-used indicators are year repetition rates, dropout rates during the period of mandatory schooling or at different levels or school types, and enrollment in so-called “second chance” programs or in adult education programs for those with low educational attainment.

Progression in primary and secondary education is partly determined by the structure of the schools, by the actual number of seats that different schools offer, and—in theory—the success of the individual students. It is important to note that a large number of problems that are often attributed to fragmented schools structures (e.g., unfair selection) are generated by other deficiencies, such as the selection pressure generated by the low inclusive capacity of schools. The analysis of PISA surveys proves that the most fragmented school structures with early selection are not necessarily those with the largest school performance differences. In an education system there are always certain selection points. But the question remains: how fair is the selection at these points (i.e., how much is the meritocratic ideal prevailing) and how smooth are the transitions from one level to another?

When we talk about school structures, we refer to three distinct matters: school types, programs types, and pedagogical phases. The typical characteristic of centralized systems is that these aspects are almost interchangeable. In general, in education—disregarding the special-function institutions, such as those for art education, national minorities, and/or special needs children—there is no program diversity, and curricular regulation is simply adjusted to school types according to distinct levels of education. In these systems the program type mainly refers only to the profile of vocational schools. However, if choice and program diversity are introduced, and if curricular regulation of general education is unified into a single core curriculum for twelve grades (within which setting pedagogical phases do not necessarily concur with school types), then the distinction among the three aspects becomes very visible. Increasing differentiation

among school types, programs, and pedagogical phases makes standardization difficult yet makes the whole system flexible.

Another factor that has a major impact on student progression pathways is the aspirations of those who are making the decisions: the parents and students. As the results of an empirical research in Hungary suggest, the aspirations of the parents are deeply connected to their educational attainment (educational status); therefore, the decisions they make may reinforce the selective character of the system. Ensuring the dynamic balance between the supply and demand of educational services implies a different logic of planning than the traditional one based only on the number of children and the presumptions of central decision-makers about the “needs of the society and economy.”

Box 5.2

The Aspirations of Parents in Hungary

- The aspirations of parents play a decisive role in enrollment decisions.
- At the beginning of the learning career of their children, more than half of parents cannot formulate their goals. However, as time passes, these goals become more and more articulate, partly because the feedback from the schools shapes the aspirations of the parents.
- Only a small fraction of the parents want their children to finish school and to start earning money as soon as possible.
- The determining underlying consideration of parents is to avoid that their child's status will be lower than that of the parents. For this, they are ready to make any sacrifices and to pay any price.
- As a result, for parents with the highest educational status, any other options than those offering the highest qualifications are unacceptable.
- Parents with lower educational status may consider more options. In the case of educational opportunities, offering upward mobility for the child is a rational investment—the return calculation is dominant.

—Lannert 2003

This book focuses on the governance of pre-higher education. Nevertheless, there is a relatively new phenomenon occurring at later stages that deserves attention because of its potential implications: the “*transition from learning to work*.” Earlier, the exit from the education system and the entrance to the labor market was a specific moment of someone's personal career. Recently, it became a—sometimes decade-long—period of

life for young adults. The individual pathways became extremely diverse, within which the “learning then working” logic was very often reversed. Many young adults interrupt learning with a period of work, and often learning and work are done in parallel. “Double dipping,” that is, going for two different qualifications at the same level and at the same time or staying much longer in higher education is becoming increasingly typical. Also, experiencing unemployment under the age of 30 is already a mass phenomenon.

As the following section illustrates, there are other indicators than the ones related to participation. However, the governance of education in most South Eastern European countries still relies on participation data that generates a certain set of consequences:

- For a long period of time only participation-related data about educational attainment was available; the strong correlation between educational and impact-related indicators created a climate within which opening channels for social mobility—that increases the well-being of individuals—appeared to be the main purpose of educational services. It still goes without saying that in spite of much more sophisticated analysis, the availability of information on learning outcomes is just possible.
- Expectations formulated in terms of a desired impact usually are set directly for teachers and schools. For example, schools should ideally contribute to the integration of Roma into mainstream society. Beyond the fact that education is definitely not the only public service that should be charged with this task, it is problematic because such expectation cannot be interpreted and translated into daily pedagogical practice. The only thing that it may lead to is strengthening self-protection mechanisms, as responsibility drifts to parents.
- On the basis of participation indicators, educational-outcome-related goals are weak; apart from keeping students in education as long as possible, they can be determined mainly in negative terms: lower dropout, lower repetition, etc. As a result, processes that are overly regulated make the relationship between educational goals and expected economic and social impact far too remote to be useful.
- Parallel to the increasing complexity of education systems (due to the increasing diversity of student progression patterns), as well as that of economies (due to the increasing diversity of professions), the system of qualifications that is supposed to inform employers about the value of educational attainment of individuals is unable to fulfill its function. On the one hand, it makes labor selection more expensive; on the other hand, it enforces the reconsideration of qualification systems on a new basis.

The tendency that participation-related indicators are gradually devalued is not independent from the fact that most European countries have achieved a very high level of participation in education; therefore, they can afford to turn to indicators with much

stronger ability to explain successes and failures of educational services. However, in spite of their generous participation rates, most South Eastern European countries have serious student participation problems that deserve a lot of attention. For example, pre-primary enrollment in Serbia is among the lowest in Europe (it is less than 40 percent⁵), and the proportion of those Roma students who are not completing primary education is estimated to be between 62 and 87 percent.

Lifelong Learning

Contemporary changes in the patterns of participation in education resulted in a new overarching approach: the *lifelong learning* paradigm. This approach became a prevailing international educational policy paradigm in the mid-1990s, not only because it responded well to changes, but also because of its potential to contribute to the emancipation of education from labor policies and because it opened new spaces for the further expansion of the education sector. Lifelong learning has four major characteristics (Radó 2004):

- *A systemic and holistic approach to learning.* Learning occurs in various settings at various times, and formal education has no monopoly on providing learning opportunities. Therefore, we should not frame learning opportunities in terms of standardized types and levels of formal education. Rather, the point of departure should be the question: at different stages of the human lifecycle, what kind of options can the learner consider and what kind of learning pathways can be built up by the choices that learners make. As a result, the traditional supply-driven isolation of general, vocational, higher, and adult education can no longer be sustained. Also, the formal settings of learning should be connected with other (informal) learning opportunities; that is, formal education should not compete with any other forms of learning (e.g., media, internet, hobbies, etc.) and they should be considered as complementary learning opportunities.
- *Reconsideration of the relationship between supply and demand, strong focus on learning.* Learning should not be based exclusively on the agenda of the education service providers, and the latter should adjust to the needs of the learner. Therefore, instead of operating teacher and teaching-centered education systems, learner and learning-centered educational services should be built. This shift of emphasis from the supplier to the client (a trivial requirement in most services, with the exception of education and health) has major consequences for governance: it weakens the legitimate basis for standardizing processes. The other consequence is the requirement that any educational services provided for learners should be quality-assured. In addition to these, if our assumption

is that the primary decision-maker is the learner (to a certain age, his or her parents), then he or she should be provided with the necessary information.

- *Tailor-made approach: emphasis on autonomous and motivated learning.* A service that has a strong drive to adjust to demand is also interested in generating demand. In theory, no other services are as lucky as education: generating demand for further learning, that is, strengthening the motivation to learn is a legitimate goal in education. What is already a practice in private language schools, that is, the measurement of the results of prior learning and adjusting the programs, is not necessarily a daily practice in formal learning settings. But, formal schooling, being a giant machinery of mass education, can be tailor-made only through separate, individualized teaching according to some educationalists. However, through the enrichment of learning opportunities and teaching methods, even formal schooling can be made much more responsive to individual needs, learning styles, and interests of learners at any level of education.
- *Reconsideration of goals: connecting internal and external effectiveness.* As mentioned earlier, the external references to the design of concrete educational targets are increasingly important. Focusing on the learning needs of the learners puts even greater emphasis on the labor market and social relevance of education. If the invested time and effort of the learner does not yield any returns, autonomous, motivated, and active learning remains an illusory expectation. As far as primary and secondary education is concerned, learning to learn must be a goal of special weight.

In South Eastern Europe, lifelong learning is often misconstrued as simply meaning participation in adult education. It is a serious mistake; as the previous characteristics of the lifelong-learning approach indicate, they all have serious implications for all levels of education from preschool education till “third generation” learning (i.e., learning during retirement).

5.4 Internal Effectiveness: Learning Outcomes

The Transformation of the Relevant Knowledge in Education

One of the basic underlying questions of educational programs of any kind is how to select the pool of knowledge that is relevant, that is, the knowledge that should be taught and learned till the end of a specific level or program. “School-relevant knowledge” has been under pressure by the accelerated accumulation of knowledge for a long time.

However, the crisis of the traditional selection method was not caused by the exhaustive amount of knowledge; it was the underlying logic of setting goals for education that was increasingly questioned.

This crisis was caused by several parallel processes; a few of them have been indicated already. The most important processes are the following:

- *The dissolution of consecratory knowledge codes.* The content of education is very much determined by the cultural codes of educators, themselves. As highly-trained intellectuals, educators transmit their own consecrated knowledge codes via their expectations of the students—regardless of the actual means of transmission (e.g., curricula, textbooks, or daily pedagogical practice). These cultural codes are very much rooted in the traditions of each country. For example, due to the excellent and popular translations made by a famous Hungarian poet, Hungarian secondary school students learn much more about Francois Villon than French students. However, these intellectual codes are increasingly dissolving in emerging and diverse subcultures.
- *The accumulation of knowledge and the transformation of the sciences.* The accumulation of knowledge leads to the diversification of the structure of sciences mainly by the birth of new independent disciplines and by the emergence of others that are multidisciplinary. In contrast, the organization of school subjects still reflects old academic divisions of knowledge that cause difficulties in teaching complex phenomena like the greenhouse effect or evolution.
- *Pragmatic and instrumental approaches gain dominance.* As has been suggested several times, the need to better connect education with its external references in order to make it more relevant for learners puts an ever greater emphasis on practical and applicable knowledge. Its application being contextual by definition, the huge variety of possible contexts devalues those pieces of knowledge that are not constructed with their applicability in mind.
- *An open future.* “Preparing students for work and life,” traditionally considered to be the main purpose of education, is increasingly a hopeless endeavor, because the professions they will practice, the technology they will use, the means of entertainment they will enjoy, the work organizations within which they will cooperate with others, etc., do not even exist yet. Anyone who tries to set goals for education, even for the period of mandatory schooling, shoots at a moving target. Therefore, instead of transmitting knowledge that becomes obsolete very fast, education should concentrate on the development of the capacity of students to adapt to changes.
- *Knowledge as an economic resource.* Knowledge has always been an asset; however, knowledge became the most important asset when it became the most impor-

tant source of economic added value in the so-called “knowledge economies.” Therefore, human resource development considerations overwrite the old liberal tradition of education.

- *The end of the knowledge monopoly of schools.* Due to the pressure on the curricula, the amount of knowledge taught in schools is increasing. However, this is not comparable to the billion-fold ballooning of information that can be reached on the Internet in minutes. Memorizing information is not attractive to students when it can be “Googled” with the stroke of a key on the computer.
- *Accumulating our knowledge about knowledge.* During the last two decades, brain research and cognitive psychology accumulated a great deal of understanding about how effective learning occurs, while traditional ways of teaching very often handle the minds of learners as black boxes that simply replicate knowledge input.

Due to the cumulative impact of all these reasons, goals for educational services should be set in terms of competencies. The shift from the way of setting subject knowledge goals for educational services has distinct stages: making knowledge more applicable by “subject competencies,” then experimenting with cross-subject competencies, such as problem solving and communication (see Chapter 11).

The Learning Outcomes: Competencies

Competencies, that is, the complex ability to do something for specific purpose in a specific context, are constructed by knowledge, skills, and attitudes. Reconstructing the evolution of the concept of competencies is far beyond the purpose of this book. What is important here is that emphasizing the three key components of competencies is the appropriate means of balancing the two traditional approaches to the desired learning outcomes: the strong focus of general education on knowledge versus the limited scope of vocational training of practical occupational skills. Nevertheless, many regard the emphasis on the development of competencies as the “vocationalization” of general education, while others share the suspicion that it is no more than a new attempt to smuggle general education back to vocational training. Nevertheless, competencies became the prevailing underlying concept of setting goals for education. As a result, contemporary learning outcomes and competencies are often used as interchangeable terms that indicate the career of competencies. In very general terms, learning outcomes are “*statements of what a learner knows, understands and is able to do on completion of a learning process*” (CEDEFOP 2008).

This career of competencies originates in the effort of the mid-1980s to make vocational education and training more relevant by the functional analysis of occupations. Vocational training being oriented towards the application of knowledge, it is almost a natural development. However, due to the needs generated by the reconsideration of relevant knowledge in education, in the second part of the 1990s determining goals in terms of competencies started to spill-over to general education, too. The Definition and Selection of Competencies (DeSeCo) Program launched by the Organization for Economic Cooperation and Development (OECD) in 1997 (and that provided the framework for the PISA surveys from 2000), played an instrumental role in the “expansion” of competencies. Since competencies, in general, can be as varied as the number of possible contexts within which knowledge is applied, there was a need to select those “key” competencies on which education should focus. The selection of key competencies in the DeSeCo Program was based on three criteria (Rychen 2006):

- The competencies that are playing a part in the achievement of those outcome results that are highly valued for their contribution to successful life and well-functioning society at the levels of the individuals and society as a whole.
- The competencies that contribute to performing serious and complex requirements within a wide range of contexts.
- The competencies that are important for all.

Partly on the basis of the results of the DeSeCo Program, the European Union developed its Reference Framework of Key Competencies in the early 2000s. The EU’s key competencies for education are divided into eight groups (Eurydice 2002):

- Communication in mother tongue,
- Communication in foreign languages,
- Mathematical competencies and basic competencies in science and technology,
- Digital competence,
- Learning to learn,
- Interpersonal, intercultural and social competencies, and civic competencies,
- Entrepreneurship, and
- Cultural expression.

All the detailed descriptors of the key competencies refer to the “abilities to” The EU key competencies fall into three categories: (1) measurable cognitive competencies (e.g., mathematical competencies), (2) competencies that require a high degree of

cross-curricular organization (e.g., learning to learn) and (3) certain underpinning transversal competencies (e.g., problem solving or creativity) (CEDEFOP 2008). The EU reference framework provided the basis of the revision of curricula in several member states, as well as the development of the European Qualifications Framework.

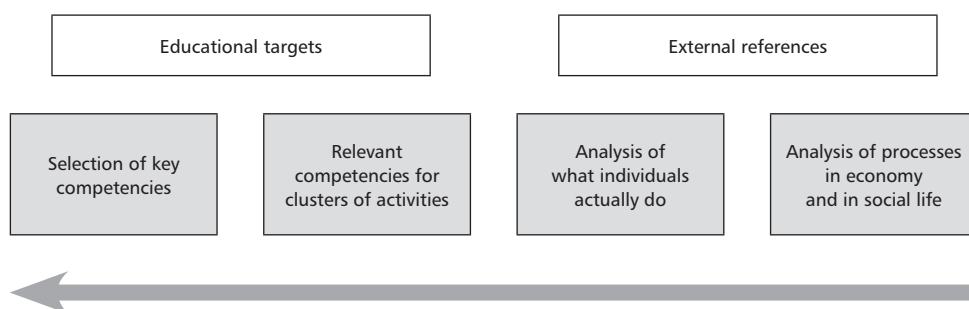
The Learning-outcomes Approach

The prevailing underlying concept of international mainstream educational policies is currently based on the *learning-outcomes approach*. This approach is the result of two parallel processes: the growing emphasis on learning and learning pathways instead of emphasizing teaching and school structure (lifelong learning), and the gradual reconsideration of relevant school knowledge, i.e., the growing focus on applicable knowledge (competences) that is, on the knowledge, skills, and attitudes that enable the learner to do things in diverse contexts.

Determining the goals for education in terms of learning outcomes opens a wide range of opportunities for the governance of education, and some of them are related to the difficulties that flow from the use of participation-related indicators. First, the focus on learning outcomes instead of (teaching and learning) processes makes it possible to create a direct chain of interpretation that connects external references of education with concrete educational goals.

Figure 5.1

Connecting Goals with External References: The Interpretation Chain



The second impact of the learning-outcomes approach is that, here, education's relevance to the labor market is not a question that applies only to the design of vocational programs. Due to the shift of emphasis from employment to *employability*, that is, to the potential of the individual to hold onto and to be successful in the workplace,

general education's contribution and relevance to the labor market is increasingly considered. Also, the learning-outcomes approach weakens the monopoly of professional educators in determining education's goals, because focusing on competencies makes it possible to involve laymen, too. (Not surprisingly, the contribution of stakeholders to the identification of new competencies in certain countries was vastly more useful than the conceptual work done by experts.) As a result, involving employers in the discourse on the goals for the initial phase of primary education is not regarded as "perverted" anymore.

An additional advantage is the much easier translation of goals that are set in terms of learning outcomes to teaching. For example, certain social policy goals, such as the integration of minorities, sustainable development, or promoting democratic civic attitudes, are becoming interpretable for pedagogy; therefore, they can be broken out from the "ghetto" of extracurricular activities and can be integrated into the mainstream of education. In general, detaching the problems of participation and qualifications from the actual outcomes of learning makes the interpretation of participation-related matters much easier. Focusing on learning outcomes instead of inputs and processes allows education to better serve certain lifelong learning-related goals, such as connecting the subsectors of education (i.e., general, vocational, higher, and adult education) to the competencies to be developed or the recognition of informal learning.

The learning-outcomes approach, departing from subject knowledge and from process orientation, *is a paradigm shift*; as such, it has major implications for the content of all other major public policy expectations of educational services like quality or equity. It also influences all aspects of education and has implications for teaching, for the work of schools, and for the pattern of governance, too. All these implications will be discussed in the following chapters.

5.5 The Impact of the Learning-outcomes Approach on Other Key Concepts

Quality of Education

In very general terms, *quality is suitability for the purpose*. Thus, the actual meaning of quality is essentially determined by the purpose, that is, the goals we would like to serve with a tool or a service. In the case of services, the external criteria against which we may measure its quality are: (1) the compliance to certain standards, (2) the compliance to criteria that are fixed in a contract, and (3) the satisfaction of the clients. All these measures can be translated to the realm of primary and secondary education. The

“standards” are educational goals, specific targets, and service specifications that are regulated by governments or (in decentralized systems) lower-level management. Of course, the most important ones are those institutions or individuals that set goals for the service: curricula and achievement standards, such as examination requirements or qualification requirements. Although in centralized education systems the meaning of a “contract” is typically rather limited (all schools offer the same), if curricular and program diversity is introduced, all schools “offer” something in their school-based programs, and parents who decide to send their children to the school are entitled to expect the fulfillment of the offer. (This is the reason why introducing major changes in the program to those who have been already learning in the school for several years is considered to be a “discourtesy,” even in centralized systems.) Also, a school program that responds to the needs of its “constituency,” that is, to the needs of the local community, also can be considered as a kind of “contract.” The third measure of quality, that is, the satisfaction of parents and students, does not require any explanation; it is as relevant to education as to any other service.

To recap, the main characteristic of centralized systems is the use of a narrow approach to quality in education that is restricted only to the compliance to centrally-issued standards. However, since our contemporary understanding is based on a balanced view of the three major criteria, the two other sources of requirements are equally important. Therefore, education services that assert their high quality also should respond to the actual expectations of their local environment and the clients. In theory, the implication of the leaning-outcomes approach in this respect is that when local self-governments determine their expectations of their schools on behalf of the local community, they supplement the centrally-set learning outcome goals with their own. Of course, in practice it does not work so nicely, especially if local owners of the school are improperly supplied with comparative performance-related information. (In addition to this, the owners may have various expectations beyond measurable performance.) However, this does not mean that responding to local expectations is not something that schools can ignore without compromising the quality of the service they provide.

The case with the satisfaction of parents and students is different. Research results prove that parents are not necessarily the most satisfied with those schools that produce the highest scores in performance surveys. Also, in spite of the expectations of adults who have difficulties recalling their childhood, students do not necessarily feel good in those schools that help them to achieve the highest learning performance. (Something as trivial as table tennis equipment for use during the breaks between classes, or other small things influencing the climate in the school, are much more important in this respect.)

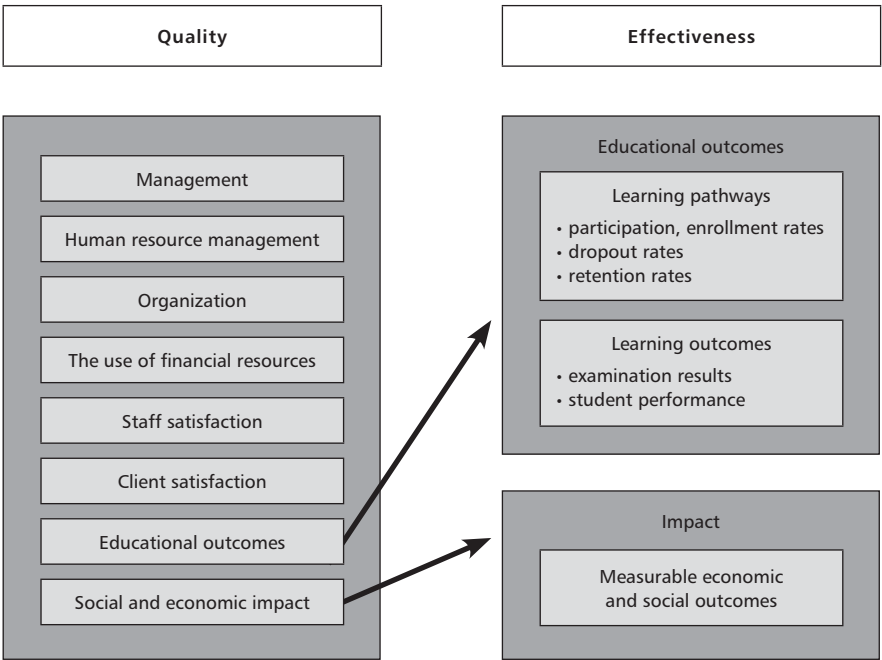
There are various implications of using diverse criteria for quality. First of all, *quality is fundamentally contextual*. Quality of education means something completely different in downtown Sofia, in the Roma urban ghetto in Plovdiv, or in a small village in the Rhodope Mountains. Also, quality may mean responding to rather different expectations

in two different schools within the same settlements, or in the case of different student groups of different socio-economic or ethnic background. This important feature of our contemporary understanding of quality—to a certain extent—devalues the centrally-issued quality standards that previously carried (and in several South Eastern European countries still carry) an absolute weight.

The second implication is that *quality is a moving target*. Even in the case of service outcomes, as they are increasingly connected to external (economic and social) references, their perpetual change forces all service providers to reflect upon the changes and to strive to adjust. To put it simply: as goals change, the actual meaning of quality changes, too. This also applies to the expectations of the local governments and the clients of the service; their views, interests, and perceptions are not static in the least.

Sometimes we use the terms quality and effectiveness as exchangeable concepts. In fact, *quality is less and less the feature of the results and increasingly that of processes*. As a result—as it is demonstrated by a possible taxonomy of the aspects of quality below—effectiveness is one of the components or aspects of quality that is a much broader concept, even in terms of the results of education. Poor performance results that are increasingly measured in terms of learning outcomes indicate quality problems but they are far from being identical to them.

Figure 5.2
The Aspects of Quality and Effectiveness in Education



The conclusion from the above definition of quality is its *organization-connected nature*. If quality is tied to goals and various external expectations and to the processes that must be designed to serve all these expectations, it becomes so contextual that makes it very difficult to talk about across the entire education system; where we can grasp quality is always a specific organization (school), with specific goals operating in a specific environment.

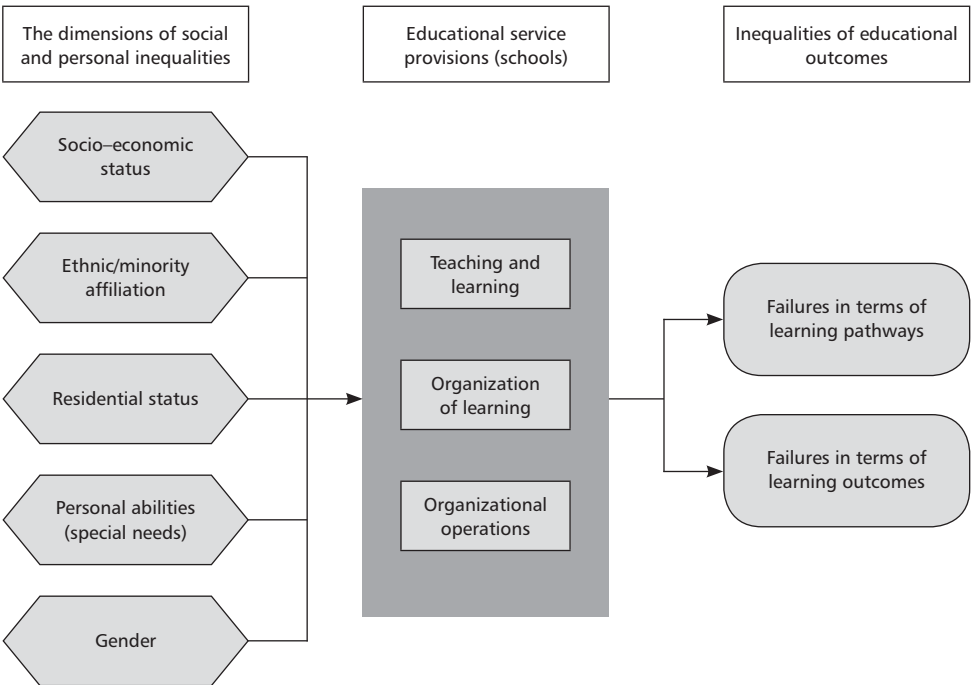
Equity of Education

Equity has been one of the major concerns of educational policies in Europe for many decades. The rationales for promoting equity are extremely diverse and vary from value-based orientations (such as gender equity, multiculturalism, egalitarianism, etc.) to value-neutral considerations (such as investment in human capital, the reduction of social safety costs, or strengthening social cohesion). The approaches to educational equity vary between the two extreme positions of a wide spectrum. On the one end is a pessimistic approach that is rooted in the sociology of the 1960s, according to which schools are the products of modern societies that are based on deep social inequalities. Therefore, the very purpose of education is ingraining and reproducing inequalities. On the opposite end is the enthusiastic approach of “alternative pedagogies,” according to which “all children can learn.” It was strengthened by the ruling egalitarian “social engineering” approach of the former communist countries that was based on the illusion that the social positions of entire societal macro-groups can be changed through education (Radó 2009).

The prevailing “mainstream” approach to equity is a rather balanced one: although the social background of the students determines their educational outcomes to a huge extent, *education still has a certain space to compensate for the negative impact of low social status or other dimensions of social and personal inequalities on educational outcomes*. Therefore, the question is how to enhance this compensation capacity of schools. This balanced view is the underlying approach of the definition of equity produced by an OECD expert group in 1997:

Educational equity refers to an educational environment in which individuals can consider options and make choices based on their abilities and talents, not on the basis of stereotypes, biased expectations, or discrimination. The achievement of educational equity enables males and females of all races and ethnic backgrounds to develop the skills that are needed in order to be productive, empowered citizens. It opens economic and social opportunities regardless of gender, ethnicity, race, or social status.

Figure 5.3
The Conceptual Framework for Understanding Inequities in Education



Educational inequalities were dealt with almost exclusively within the framework of equal access to education for many decades. However, the focus of thinking gradually shifted from access to teaching, from teaching to learning outcomes. This shift is not independent from the fact that inequalities, as they are measured by rather traditional indicators (such as enrollment rates at different levels of education or dropout rates), show a rather favorable picture for most countries in Europe, especially from a global perspective. The real reason, however, for the need to renew the interpretation of equity in education is the new emerging paradigm of learning outcomes. The implication of this approach to equity is that inequalities are worth considering through the prism of the very purpose of educational services: the results of learning. Identifying inequities, that is, *performance differences that are considered to be illegitimate either because of their degree (such as gender inequities) or because of their type (such as performance differences caused by discrimination)*, is not simply a shift in the methods of identification. It has also major implications for the alignment, targets, and instruments of policies designed to reduce inequities in education.

However, as mentioned earlier, in several cases of inequities, participation differences are so large (as in the case of Roma in South Eastern Europe) that a strong focus on

access and participation still has to be maintained. But even in these cases, the analysis of information on learning outcomes gaps provide an essential insight on the way inequities are generated in the education system, without which participation-related problems can not be dealt with properly.

Cost-effectiveness of Education

We will discuss financing of education in centralized and decentralized governance systems in a separate chapter. However, in order to demonstrate the impact of the learning-outcome approach, we have to anticipate a few considerations.

The cost-effectiveness of education is the relationship between all sorts of expenditures and their outcomes. The relation between the two can be improved either by reducing expenditures or by improving educational outcomes. This measure is one of the most important public policy requirements, even if the principle of “value for money”—that all citizens in South Eastern Europe carefully consider while shopping—is not often applied to public services. The reason why governments still have to strive to improve the balance between inputs and outputs of educational services is the fact that education systems in the region are facing enormous challenges, meanwhile increasing the amount of public resources deployed to education has serious limits.

Education in a given country can be considered effective or ineffective only by comparison to another country. Therefore, indicators allowing for international comparison play a key role in judging the cost-effectiveness of education. The basic indicator is spending per student (e.g., per capita expenditure). As far as educational outcomes are concerned, there are various participation and learning-outcome indicators that can be set against per capita spending. Due to the availability of learning-outcomes data, they are increasingly replacing participation-related indicators in measuring cost-effectiveness. As the data for four Central and Eastern European countries illustrate, the “price” of learning outcomes in different countries can be calculated.

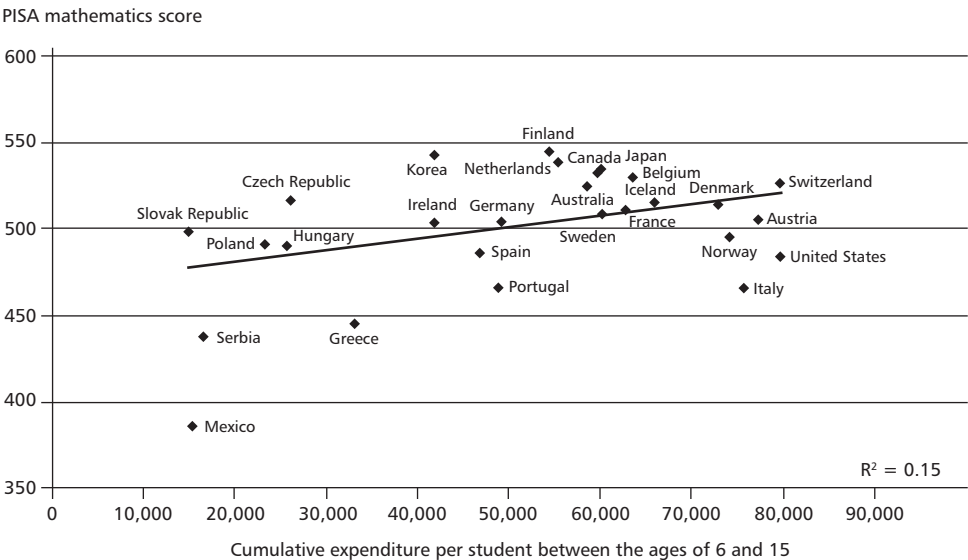
Table 5.1

The “Price” of the Results in Central and Eastern European Countries⁶

	Expenditure ⁷ (USD purchasing power parity)	Mathematic scores in PISA ⁸	Expenditure/PISA scores
Slovakia	17,612	498	35
Czech Republic	28,444	523	54
Poland	26,544	490	54
Hungary	30,556	490	62

When comparing the cumulative per capita spending on primary education with mathematics scores in PISA in the OECD countries, it turns out that there is a statistical correlation between the two. Nevertheless, there are countries that perform better than would be expected on the basis of the level of funding, while there are other countries that perform lower. The comparison suggests that the closer the average achievement data are to the expectations on the basis of the level of spending, the better is the balance between expenditure and outcomes. In Serbia, however, because of the poor average performance of the Serbian education system in spite of the relatively low level of funding, the education system of the country performs much lower than expectations (Teodorovic 2008). It suggests that there is a space to improve the effectiveness of primary education even at the level of recent funding.

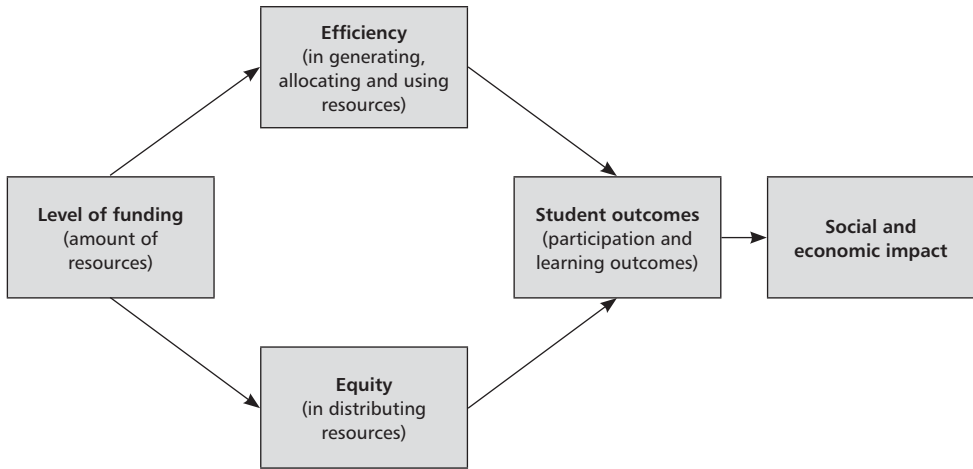
Figure 5.4
Relationship between PISA Scores and Spending (2003)⁹



Although these statistical correlations are good indications of the cost-effectiveness of a given education system, a great deal of cautiousness is recommended about their interpretation. As will be seen later, there is no overlap between the factors that determine per capita funding and those determining learning outcomes. In other words, there are no shortcuts in this respect: *the relationship between financing and outcomes is remote and indirect*; therefore, increasing funding does not necessarily result in better outcomes of any kind.

The expenditure on education can be compared with its external outcomes. For example, the impact of spending on education can be analyzed in relation to unemployment, earnings, innovation, or other aspects of development. The challenge to the analysis is to filter out the impact of factors other than education. Nevertheless, the “educated guess” that impact analysis offers is instrumental in understanding the efficiency of investment in education in light of its external effectiveness.

Figure 5.5
Cost-effectiveness in Education



As will be discussed later, the learning-outcomes approach does not influence how we measure cost-effectiveness only. It has implications for certain principles of financing, too. For example, the approach—which allows for deviations from financing standards in order to recognize the diverse priorities of the owners of the schools and the parents (i.e., fiscal neutrality)—is increasingly justified by the required diverse specific costs of education that are necessary to produce the same level of learning outcomes.

CHAPTER 6

Learning and Teaching

6.1 Learning: The Final Frontier

Learning is one of the basic functions of the human psyche, and it has a lasting effect on one's personality and is generated by any interactions with a person's environment. Therefore, learning is change and the ingraining of change. In other words, learning is a process of perpetual socialization. But, how much does it help us? Widely understood as “acquiring knowledge” (whatever “acquiring” and “knowledge” mean), learning is very much connected to teaching: learning of what is taught. Also, identifying the results of learning is connected to assessment: what is demonstrated during assessment is learnt (Winch and Gingell 1999). In this respect, the major consequence of the learning-outcomes approach is a greater emphasis on other elements of knowledge beyond information: understanding, behavior, skills, and values. However, much of our knowledge about learning is not new, simply reinterpreted in light of new research findings or new expectations of education. For example, the notion that the “learning curve” might differ with different types of knowledge with varying complexity, or with the very different learning styles and capacities of individuals, is a sort of old triviality and notably has nearly no impact on policies that were based on rigid standardization. Learning has three major domains: *cognitive* (e.g., learning to solve problems), *affective* (e.g., learning to reject sin), and *psychomotor* (e.g., learning to ride a bicycle). Learning knowledge—as we understand it, identical to acquiring competencies—requires all three.

Theories of learning are vital references for pedagogical practice but may have certain implications for the management of schools and the management of the work of their frontline professionals, too. What is important for the very practical purposes of a discussion on governance and management is what kind of implications they have on the conditions that should be provided for teaching and the work of schools? In order to grasp the most important implications, three matters are to be touched upon: (1) the key characteristics of effective learning, (2) the various forms of learning, and (3) the basic conditions for successful learning.

The Characteristics of Effective Learning: A Distillation

A useful concise overview of our contemporary understanding how students learn is provided by a discussion paper published by the Scottish Consultative Council on Curriculum. It is important to note that learning in different ages is not fundamentally different. When focusing on the learning of primary and secondary students, their way to succeed is not so different from how the reader of this book learns. Another preliminary note is about the “what works in learning” nature of the following characteristics. The more we will learn about learning, the less we can guarantee that the following underlying assumptions for teaching and the organization of learning will prove themselves valid.

The relevant features of learning are the following (Scottish CCC 1996):

- Intelligence is not fixed. We all have much greater potential for learning than is commonly recognized.
- There is no such thing as a single, general intelligence, which we all possess to a greater or lesser degree.
- Learning involves developing our emotions and feelings along with our ability to think and act.
- We are more likely to learn when we are motivated to do so. Young people who feel good about themselves are much more likely to be highly motivated to learn.
- We learn more effectively when we think things through for ourselves.
- Learning is messy. We rarely learn anything by proceeding along a single path to predetermined outcomes.
- Most learning involves other people.
- Self-awareness, including awareness of ourselves as learners, helps us to learn more effectively.
- We can learn how to learn by developing skills that help us to think, feel, and act more effectively.

Apart from these characteristics of learning, there were four shifts in our understanding of how learning occurs, with major consequences to teaching during the last two decades (NEA 2006).

- *Learning as active engagement.* The concept of learning as the passive absorption of information has shifted to a concept of learning as active engagement. Learners are attempting to make sense of incoming information by interpretation on

the basis of their prior knowledge and by questioning. Learning as an active, constructive process plays a critical role in transforming information into usable knowledge.

- *Learning as social.* Learning in the classroom is traditionally an individual activity; students were expected to learn by listening to the teacher and working on their own. (Most classrooms are even furnished in a way that allows students to watch each other's back only. Also, "cooperation among students in order to help each other is very often punished because it distracts attention from the teacher.") In our contemporary understanding of effective learning, however, social interactions such as discussion, debate, and joint work are essential.
- *Learner differences as resources.* The education systems of the South Eastern European region tend to be oriented to minimize pupil differences in the classrooms because they are considered obstacles to teaching. (To a certain extent, this is the reason for the high selection pressure in the education systems, for example, from which Roma students suffer.) Due to the growing differences in student backgrounds, it is not a sustainable approach anymore. There is a great deal of pedagogical know-how already accumulated elsewhere on how to use student differences as a resource and how to build teaching strategies into them.
- *Knowing what, how, and why.* It is, in fact, the previously outlined shift from acquiring information and the procedures of a discipline to learning that helps to understand facts and ideas on the basis of factual knowledge within the context of conceptual frameworks and allows for organizing knowledge in ways that facilitate their retrieval and application.

The Forms of Learning

The three forms of learning are formal, non-formal, and informal learning. The distinction between the different forms of learning is a little artificial. Although in different ages there might be dominant ones, the three forms of learning are not separated, sequential settings; most of the time, they occur parallel to one another. Success in one form leads to success in other forms, while the lack of basic conditions in relation to one form leads to failures in the others. For example, a positive attitude towards learning is the precondition of any forms of learning in any kind of setting.

- *Formal learning* takes place in hierarchical structures and the levels of learning are built according to a chronological logic; completion of a certain level is the admission criterion for the next one. Participation is mandatory to a certain age, and the content is determined by a state approved curricula. Teachers and

trainers in formal education are selected by official qualification requirements and are typically public employees. Participation in formal education ends with a state approved qualification (i.e., a certificate or diploma issued on the basis of the state's authorization).

- *Non-formal learning* is any organized learning experienced outside of the formal system that is directed towards any specific goal. It may occur along with formal learning but does not always end with formal diplomas. Participation in non-formal learning is voluntary and, most of the time, takes a much shorter time. The typical non-formal learning opportunities are offered in order to supplement formal learning in educational institutions or provided in the workplace as human resource management instruments or by labor agencies as active labor market intervention tools. These learning programs are also delivered by professional educators and trainers and are based on a curriculum, although they are typically much more flexible. In most cases there are no formal admission criteria in non-formal learning and the participation is certified at the end.
- *Informal learning*—in its broadest sense—is identical to the perpetual lifelong processes, through which the attitudes, values, and skills of the individuals are evolving or transforming. The most important feature of informal learning is that it occurs outside of the curriculum of any formal institutions. It is important to emphasize that we are not talking here about education; informal learning occurs during formal learning and parallel to the declared goals of formal learning, too. In terms of its impact, it might even conflict with the goals of formal learning. Therefore, informal learning can also be interpreted as a different layer of the same learning experience. Though this understanding of informal learning is a little bit diffuse from a governance point of view, it is worth making distinctions among the various cases, according to the extent to which learning is intended and conscious. According to these criteria, the first type of informal learning is *self-instructed, autodidactic learning* that is intended, conscious, and for which the learner determines its time, methods, and sources. (For example, learning how to build a sailboat in a glass jug.) The second type is *accidental or spontaneous learning* that may happen through observation, social interactions, or by solving a problem. These cases (such as learning that the new teacher does not like certain patterns of behavior by making mistakes during the class) are not intended but conscious. This type of learning is considered to be the most effective one by many; it is situation-bound, contextual, and social. Learning that is not intended and not conscious (*socialization*) is typically out of the focus of educational policy (OPEK 2005).

The discourse on non-formal and informal learning is very much preoccupied by issues related to adult learning and by the development of qualification systems that are able to recognize the results of learning outside the formal system. Thus, these two forms often are regarded as much less relevant for formal learning that takes place in the classrooms of schools. However, in order to ensure the organic unity of learning supported by teachers and schools, they should be incorporated into the view of educators and deliberately built upon. This is the condition to eliminate the isolation of rich non-formal learning opportunities—what most schools in the South Eastern European region provide by various extracurricular activities—from the mainstream teaching and learning process. This “deliberation” may also contribute to better connecting formal learning with any kind of informal learning experiences of the students outside of the schools. The potential of building on the “alternative” forms of learning has not really been explored.

The Conditions for Successful Learning

All of the characteristics and forms of learning that have been outlined so far can be interpreted by teachers in order to develop teaching strategies and make choices among their teaching methods. The question is: how will it become relevant for policymakers and the managers of education? A possible answer is determining those conditions of successful learning and successful learning pathways from the point of view of individual learners that educational service provisions should guarantee. A public policy report from the Center for Educational Policy Analysis in Hungary (OPEK 2005) identified five conditions for successful learning: access, motivation, information, the return of learning, and the culture of learning. Although these conditions are analyzed by the report for the entire human life cycle within a lifelong learning framework, this reading focuses only on those aspects that are relevant to primary and secondary education.

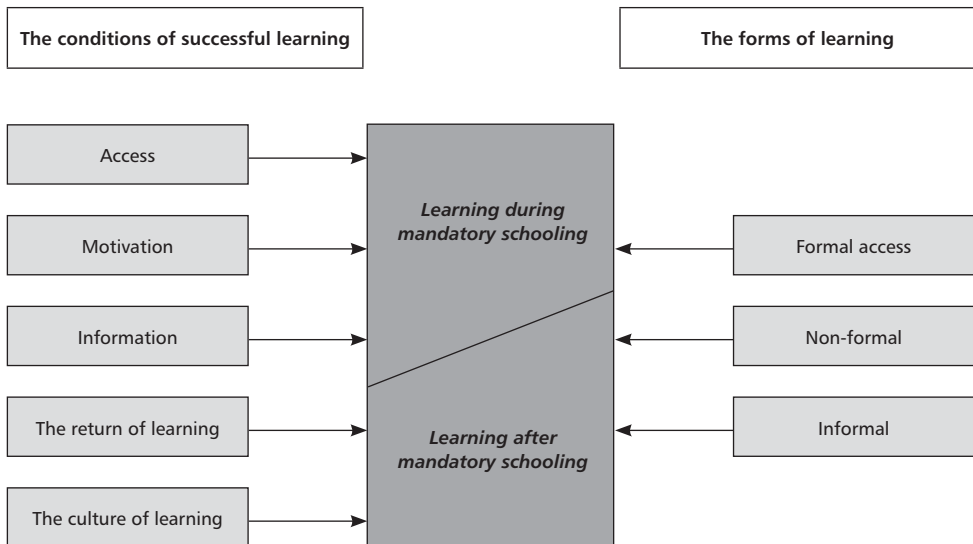
- *Access to learning opportunities.* Access to educational provisions has already been touched upon in relation to educational outcomes. The most obvious obstacle to access is paucity of available service capacities, that is, the disparity between demand and supply. However, there are several other constraints that create bottlenecks for certain pathways. In relation to the conditions of learning, the question is the choice of various learning opportunities that different schools are offering or that are available within one single school. The availability of learning opportunities can be constrained by distance, the price of the services, or by the fact that consecutive programs do not accommodate their students properly. Also, constraints to smooth progression within formal schooling can be regarded as obstacles to access. In addition to all these, failures during the

period of primary and secondary education are serious obstacles to access at later stages. Access can be coerced by another feature of the education systems of South Eastern Europe: the widespread practice of overt and hidden forms of discrimination.

- *Motivation to learn.* Motivation is the primary condition of engagement in learning. Without being motivated, individuals do not make efforts to learn. Motivation can be the result of interest or challenge, but also of a general positive attitude towards learning. Especially in primary and secondary education, motivation is not an independent factor that education is unable to influence. How teachers can generate interiorized (e.g., sense of duty), intrinsic (e.g., thirst for knowledge), and extrinsic (e.g., recognition by parents or teachers or avoiding bad results), or prestige motives is part of the methodological repertoire of teachers. The actual type of motivation may depend very much on the personality of the student and the circumstances of learning. Nevertheless, in most cases internal (interiorized and intrinsic) motives are more sustainable and stronger drives than the external ones.
- *Information for learning related decisions and on the results of learning.* Developing individual learning strategies, considering options about education, and making decisions—regardless of whether made by parents or learners themselves—requires information. Of course, the most important information on the achievement of students is provided by the daily assessment practices of teachers. It is important to note here that the marks given to children are not objective measures of student achievement; it is not even necessarily the purpose. Parents and students also need information on the programs being offered at the schools and guidance to support their decisions on which schools to attend. Keeping parents well informed may reduce the large role that informal channels play in orienting these decisions, leaving less-informed parents at a disadvantage.
- *The individual return of learning efforts.* While educational policy focuses on the public, economic, and social return of education, learners make decisions on the basis of the individual return of their efforts. Although it is not very relevant for primary education, in secondary, and especially in vocational secondary education, the prospective employment opportunities and salaries matter very much. The individual return of educational attainment at different levels and in different parts of education is very different from country to country. It very much depends on the structure and dynamics of the labor market, as well as the structure of education. However, in general, the individual return rate of primary education is typically declining, while that of secondary education is increasing.

- The culture of learning.* The environment of learning created by teachers and schools is essential to inspiring and inciting students to learn. Also, the norms of students' friends and parents are integral parts of this environment. Another aspect of the culture of learning is the learning strategies of students, rather directed to find a strong connection between various learning strategies and high performance. For example, cooperative and competitive learning strategies may lead to good results. Nevertheless, it can be said, that those who consciously control their own learning and advancement generally perform better. In primary education strengthening the foundations of learning (i.e., learning competencies and motivation) has a great impact on the culture of learning during later stages.

Figure 6.1
A Framework for Analyzing Learning¹⁰



6.2 Teaching

It is not only formal schooling that contributes to students' learning. And it is not only teaching that produces the leverage of formal schooling; for example, its role in creating a framework for peer grouping deserves more attention. Peer relationships provide a context for cognitive, social, and emotional development through reciprocity, cooperation, and intimacy. "Peer pressure" also may create a favorable (or unfavorable) climate

for learning. There are several highly-valued competencies that are fast developing, because they are instrumental in maintaining peer relationships, such as those required for sport activities or for communication on the Internet. Teaching may ignore this aspect of learning—that happens too often—or may deliberately build on it. Other than teaching, teachers do not always emphasize the factors that contribute to learning. Stressing the positive role of their work in contrast to the “negative effect” of parents (education at home), of the media and the Internet, or that of peer groups is a typical and traditional attitude of teachers and others, whose approach to education is very much teacher-centered. Sometimes politically appointed governors of national and local education systems are also much more concerned about the well-being of teachers than the learning of students—for obvious reasons.

Nevertheless, the most prominent contribution of education to learning is the work of teachers, that is, teaching. Teaching is an extremely complex and, at the same time, very practical activity; it may have sound theoretical foundations, but much of the time it is directed towards daily routine practices on a “what works in my experience” basis. It is also very much oriented towards solving concrete problems, such as teaching seven-year-old Branko how to somersault, motivating students to love the novels of Ivo Andric, or helping children to understand what holds an atom together. Experts of pedagogy have a tendency to listen only to the theoretical complexity of teaching, while managers of education may notice only its practical routine side. Even teachers are not overly occupied by the underlying and sometimes contradictory theoretical basis of their own work. For example, nobody can ride a bicycle without risking a fall if they were to think all the time about the complexity of maintaining their balance on two wheels.¹¹ When we refer to the many years of induction for beginning teachers, we are referring to the process from theory-based design of a lesson to a routine-based lesson delivery. However, without grasping the depth of teaching, the appropriate institutional environment for daily routines cannot be created.

Another characteristic of teaching that we should be aware of is its soft nature; the relationship between teaching and its very purpose (i.e., the learning of students) is rather ambiguous. There are many people who assume that teaching per definition entails learning. However, we know that it is very often not the case. The question is therefore: where are the boundaries between the responsibility of the teacher and that of the learner? How much can we demand that teachers ensure the readiness of their students to learn? Undoubtedly, teachers are responsible for the learning of their students, and under ideal circumstances (e.g., with sufficient available time, with fully committed children, etc.), students may learn anything within the limits of their capabilities. However, circumstances are never ideal: teaching time is always limited and children cannot be fully committed to learn everything that they are taught. In practice, teaching is always imperfect. All the uncertainties about the possible potential of teaching to ensure that learning will actually happen have implications on the instruments that

governance and management use. (For example, we will return later to the question: is the standard external assessment of the achievement of students a good and fair measure of the performance of teachers?)

Teaching is not simply “educating children and not subjects,” as child-centered educationalists suggest. It is teaching *something to someone* (Winch and Gingell 1999). Teachers are teaching *subjects to students*. Therefore, when determining the major functions of teaching we should not ignore the previous one. The three major functions of teaching are the following: (i) *curriculum*, determining the content of education, (ii) *instruction*, the use of diverse methods in order to manage the work of the students in the classroom, and (iii) *monitoring*, the assessment of the learning of students.

Curriculum of Teaching

Regardless of the type of curriculum that teaching has to comply with, the final and ultimate actor determining the content of education is the teacher. This is a rule if the curriculum to adapt to is a detailed national or even local school curriculum. This is also the case if the space for the teachers’ freedom to determine content is created formally by the type of regulation or informally by conscious deviation from the official curriculum. Purposeful teaching is based on planning. If the centrally-issued curriculum is in fact a detailed syllabus (generally called in the South Eastern European countries “plan and program”), planning done by (good) teachers determines when and how to deviate from it, even if the price to be paid is extra paperwork. (The extra paperwork is often called: “double-entry bookkeeping.” For the sake of assessment, the deviations, that is, progression, with the actual content should be registered privately.) If developing the syllabi is the task of the teacher, documenting planning is easier. When teachers complain about too much paperwork in connection to planning, it is either created by too much meaningless centralization, or it is a signal that teachers do not find planning necessary at all.

The content of teaching is very often determined and planned by the textbooks “on behalf” of the teachers. Most textbooks organize the content according to the approximate number of annual lessons in order to make teachers’ work easier. For many teachers in many countries, the ultimate curricula are the textbooks that do not leave space for adjustment either to the perceived importance of certain themes or to the interest of the students. What is even more important is the space within which teachers and students are able to interpret the “raw material” of learning. Textbooks providing “ready-made understanding” may impose a detrimental impact on the methods of teaching and learning. Generally speaking, the overuse of textbooks makes teaching *content driven*, while *function driven* teaching calls for the selection of content according to the learning goals that teaching actually serves. This is the reason that many

European schools and teachers have access to print or online sources of alternative content from which they are able to construct content on their own. (Of course, this does not require certain teacher competencies; various technical facilities must be in place, too.) The more purposeful is the teaching, the larger the space that is necessary for content generated by the teachers, themselves.

The instrument that makes teaching a regulated process is planning. Planning the progression with the content can be done at different degrees of elaboration. A *syllabus* allocates teaching time to themes and topics (content units). This plan is not necessarily designed to be strict; rather, it serves the orientation of the teachers who have to manage the limited teaching time. The time allocated to certain themes may depend on the interest of students, their relative weight as perceived by the teachers, or—mainly in secondary education—the weight of the topic for examination requirements. Although it should not be completely determined by the textbooks that are in use in the classroom, too large a deviation from their structure is impractical. A deeper level of planning is the development of a *thematic plan* that is created only for larger themes (a unit of 10–15 lessons) and contains more than a syllabus. For example, it may contain the activities of the teachers and the students, the instruments used by the teachers and the students, the requirements for assessment, etc. (Thematic plans connect time allocation and the teaching methods to be used.) Thematic plans rarely develop for an entire school year, partly because they build on the progression of the students during the previous periods. The most detailed form of planning is the *lesson draft*. Most teachers with a certain routine do not find the time to make it important; however, it is recommended for beginning teachers.

Instruction

The key question in relation to the methods of instruction is how much is instruction *multilateral* and *differentiated*. The often-heard label of “frontal teaching” refers to a teaching style that is characterized by the exclusive use of a simple *presentation method*. In this case, teaching is unilateral (one-way communication between the teacher and the students) and unified (the entire classroom is taught without reflecting the differences among students). This teaching style (that according to experts still prevails in South Eastern Europe) is widely criticized for various reasons. For example, even if the presentation of the teacher is of a high quality, it does not allow room for feedback on the learning of individual students, students are isolated from each other, the absorption of the “alien knowledge” is weak, the presentation makes an artificial distinction between theoretical and practical knowledge, and it represents a dominant culture and focuses on ready-made knowledge (Knausz 2001). Despite all these shortcomings, frontal teaching prevailed due to the pressure on teaching to transmit

more and more “knowledge,” that is, more and more predigested information. As a result of the reconsideration of the goals of education, all these shortcomings came into the spotlight. So-called “alternative” pedagogies responded to them by renewing the methods of instruction.

Various contemporary schools of teaching methodology emphasize the deficiencies of traditional frontal teaching practices. (Most of these innovative schools organize themselves as radical “movements.”) Whatever is the underlying rationale for these “movements,” their common feature is the enrichment of the methodological repertoire of teaching in order to make the work in the classroom more *unilateral* and/or more *differentiated*. In fact, these are the two features of instruction that are to be emphasized, partly because of the much broader concept of desirable learning outcomes (i.e., competencies), and partly because of the characteristics of effective learning described above. For example, cooperative learning, drama pedagogy, the project method, or learning by research all reconsider the traditional organization of learning; therefore, they change the role that teachers play in the process of students’ learning. It requires serious adjustments in the methods of instruction. Most of these schools are based on sound theoretical foundations and developed their methodological standards and the networks that support their dissemination and application.

Applying any of these methods entails turning away from old teaching routines of the traditional daily instructional practice: they are time-consuming, ruinous to “order” in the classroom, labor-intensive, and hard to control. Therefore, these methods rarely replace the use of the presentation method completely, and it is not even desirable. What is important is the diversification and enrichment of the instructional toolkit that teachers use on a regular basis.

There are also rather traditional requirements towards the management of work in the classroom, although their meaning is gradually being reconsidered. For example, the climate created in the classroom by relationships that are based on mutual appreciation ensures order, a good atmosphere, and satisfaction (the so-called “fun factor”). Another traditional feature of good instruction is the effective use of learning time with the good integration of homework into the work in the classroom.

One specific and important aspect of instruction is organizing learning by grouping of the students. (It has implications for the work of entire schools, that is, the permanent grouping of student into different classes that we will return to in the next chapter.) The grouping of students on the basis of their abilities creates homogeneous groups for which setting goals and selecting methods is much easier. However, its good results are documented mostly for student groups with good abilities, because the implication of this organizing method for weaker ability groups is typically a slower pace, more intervention, and less interaction among the students. Also, the expectations of these groups are also lower. Thus the use of ability-based groups raises serious equity concerns.

There are many innovative methods to organize students' learning in such a way that can be used by individual teachers within the traditional framework of schools' operation. However, others may require more than the reconsideration of teaching; they have implications for cooperation among teachers, the organizational processes of schools, or even the basic foundations of school operations, such as the length of a lesson or the school year. Those innovations that can be implemented and isolated from the rest of the schools (i.e., that can be considered as the "private affairs" of individual teachers) are more likely to disperse (see Chapter 7). For example, integrating subjects or teaching subjects in epochal periods may clash with traditionally rigid organizational rules that in centralized systems are written in stone by central regulations.

Monitoring of Learning

In very general terms, assessment meets results with goals. Pedagogical assessment in the classroom is monitoring the performance of individual students (along with the performance assessment of larger student groups, too). Assessing the results of students' learning can be done for various purposes. According to their aims, there are three types of assessment: (i) *diagnostic assessment* that may establish the grouping of students or sets the foundation for developing teaching strategies (i.e., the assessment information is mainly used by the teacher at the beginning of a learning process), (ii) *formative assessment* that mainly provides feedback to the learner in order to form his or her self-assessment throughout the entire learning process, and (iii) *summative assessment* that provides "qualifying information" about the achievement of the students at the end of a period of learning. It is important to note that regardless of the actual purpose of the assessment, marks given by teachers to a student are always taken as summative assessment information.

Assessment involves two components: gathering information about the achievement of students (e.g., by school exercises) and the assessment (evaluation) of the results. The question is: what is the basis for referencing the results of the individual students? The two ways of referencing assessment are: (i) *criterion-oriented assessment* when comparing the results to certain criteria (requirements fixed in advance), and (ii) *norm-oriented assessment* that compares the achievement of students to each other's results. Very often there is a need to compare the results of the individual achievement of the students to his or her previous results, but this reference does not allow for comparison among the results of all students in the classroom. The selection among the various ways of referencing should depend on the actual purpose of the assessment. Again, the best way to minimize the shortcomings of the different assessment types is their combination. Although the assessment practice of different teachers is typically dominated by one form of references (most probably the summative type), in practice, the grades given by teachers are used for purposes that would require applying different assessment

techniques. For example, the results of a test terminating a period of learning are often meant to inform the student about his or her progress.

The fact that assessment results are determined to some extent by the expectations of the teachers is one of the very important features of pedagogical assessment. This is the so-called “*Pygmalion effect*”: the expectations of teachers are working as self-fulfilling prophecies. High expectations of students result in high student achievement, while low expectations of certain students lower their performance. (Teachers very often unconsciously develop expectations that have nothing to do with the perceived cognitive capacities of the students. This is the case when teachers lower their expectations for Roma students; due to the Pygmalion effect, this mostly unconscious bias leads to lower achievement of Roma students.) Another, rather detrimental but common practice is using pedagogical assessment as a means of discipline (e.g., one grade reduction for bad behavior) that is typically caused by the perceived helplessness of teachers in maintaining order in the classroom. There is always a reward and punishment element in assessment, but it should be connected to learning achievement and not to compliance with expected behavior.

Obviously, grades given by teachers are far from “objective measures” of the performance of students and, in the majority of cases, it is not the intention. (Expecting teachers to assess “objectively” is expecting them to forget about the developmental purpose of assessment.) Therefore—contrary to the belief of several laymen governors of education—pedagogical assessment in the classrooms does not produce information on the relative performance of larger student groups, schools, or teachers. It may sound trivial to an educationalist, but quite recently in a South Eastern European country, students’ grades were collected in a central database in a World Bank-financed program as “student performance information.” Several analyses proved that there might be a huge gap between the results of a standard external achievement survey and the marks that were given by teachers.

The Changing Meaning of Quality Teaching

To sum it all up, the paradigm shift in education science and educational policy during the last two decades resulted in major consequences for our understanding of high-quality teaching. (Quality being determined by the purpose, this consequence is automatic if different goals are emphasized.) In short, the shift can be described as moving from teaching that is unregulated, spontaneous, content-driven, unilateral, and unified to teaching that is regulated, planned, function-driven, multilateral, and differentiated.¹²

Changing the goals of education and the accumulation of knowledge on learning brought various elements of “alternative pedagogies” into the mainstream of our expectations of teaching. “Good teaching” is very often described as *differentiated teaching*

that incorporates various content-related, instructional, and assessment innovations. *Differentiation, that is, a type of teaching that offers rich learning opportunities to all children in the classroom regardless of the talents, interest, or learning style* is very often rejected by teachers on the basis of a misunderstanding. Many teachers think that it requires separate individual teaching of all students in the classroom that is obviously unfeasible. However, the meaning of differentiation is something very different: it refers to *the diversity of activities and methods used in the classroom that from time to time offer learning opportunities to all children*. (In Serbia, differentiation is often used for the creation of ability groups within the classroom that is very far from the original meaning of the term.)

Differentiated teaching is the response to the very diverse needs of students. It differentiates the content, the teaching and learning processes, and the products that student produce according to their readiness, interest, and learning profile. The most important characteristics of differentiated teaching are summarized by Carol Ann Tomlinson (1999):

- Student differences are studied as a basis for planning.
- Assessment is ongoing and diagnostic to understand how to make instructions more responsive to learners' needs.
- Focus on multiple forms of intelligence is evident.
- Excellence is defined in large measures by individual growth from a starting point.
- Students are frequently guided in making interest-based learning choices.
- Many learning profile options are provided for.
- Many instructional arrangements are used.
- A student's readiness, interest, and learning profile shape his or her instruction.
- Use of essential skills to make sense of and understand key concepts and principles is the focus of learning.
- Multi-option assignments are frequently used.
- Time is used flexibly in accordance with student need.
- Multiple materials are provided.
- Multiple perspectives on ideas and events are routinely sought.
- The teachers facilitate students' skills at becoming more self-reliant learners.
- Students help other students and the teacher to solve problems.
- Students work with the teacher to establish both whole-class and individual learning goals.
- Students are assessed in multiple ways.

Teachers

Teachers, being the frontline professionals of education, will appear in the following chapters in relation to various aspects of governance and management of education several times. What is important here is the impact of our changing view on high-quality teaching. In other words: what are the implications of the expectations towards teachers in the discussion so far?

As far as the external expectations of teachers are concerned, everybody has a good idea about what teachers should do or what they should do differently. Experts of pedagogy argue for methodological reform, experts of various sciences would like to see the renewal of certain content, and representatives of social issues would like to see more effort and consciousness for civic, environmental, health, intercultural, ICT, or entrepreneurial education. (For a sample list of contemporary expectations, see Box 6.1) The fact is that all these expectations are relevant and important. But are they realistic, too? Can anybody meet all these (among other) expectations? For two reasons, obviously not. On the one hand, these expectations are illusory because nobody is able to change his or her working routines to such a dramatic extent. On the other hand, there is something that we may label as the inflation of expectations; if there are too many, often contradictory expectations, all of them becoming flippant, and nobody will take them seriously.

Box 6.1

Contemporary Expectations towards Teachers

A sample list for demonstration purposes:

- Ability to use the whole methodological repertoire of differentiated teaching
- Ability to interpret national and organizational goals
- Awareness of own biases and stereotyped expectations, inclusive behavior, and teaching
- Ability to construct the content of learning in a multicultural manner
- Ability to compensate for personal and socio-cultural disadvantages
- Ability to provide inclusive education for special-needs children
- Ability to use information and communication technologies and to incorporate them into teaching strategies
- Ability to cross the borders of subjects and educational levels
- Ability to cooperate with others within and outside the school

—Radó 2006

There are two questions that follow from the illusory and inflated quantity of external expectations: who is entitled to select them and what are the expectations that are not illusory? We will discuss the first question in the chapter on the operation of schools. What we cannot avoid here is the second question, because the answer determines the required competencies of teachers that initial and in-service training should emphasize in order to enable high-quality teaching.

Almost all European countries use regulatory instruments that determine the expected competencies for initial teacher training. These competency lists are based on the actual understanding of what constitutes “good teaching” that supports effective learning. In most cases, these lists contain requirements in terms of professional knowledge and professional competencies, or simply competencies. *Professional knowledge* refers to in-depth knowledge of learners and learning, such as methods of recognition of the individual learners, the pathways and methods of learning, and the social, cultural, and psychological factors influencing it. Required knowledge also includes the knowledge of the specific subject or branch of study that teachers teach. *Professional competencies* include those for managing work in the classroom and the methodology of instruction, the use of a wide variety of assessment methods, and the competencies required for various teachers’ roles in both a narrow and broad sense.

It is important to note that teachers do much more than teaching in the classroom, prepare for the lessons, and correct the written tests. Even if we discount the basic role of teachers, they still keep contact with parents, organize extracurricular programs, celebrations or competitions, participate in in-service training, substitute for missing teachers, etc. There are also various organizational tasks (that we will discuss later) that have very little to do with their core functions, such as social work, organization of cultural programs, or health services, or simply “babysitting” the children at the playground.

CHAPTER 7

Education Service Providers: The Schools

7.1 The Whole-school Approach

The whole-school approach, one of the pillars of contemporary education governance systems, is the underlying basis for separating the educational and public administration approach to decentralization. One of its major implications is the firm boundary between service delivery and the systemic environment of service delivery. After providing a brief outline on how the aims and goals of education are considered, as well as of the governance-relevant changes in terms of our understanding of effective learning and teaching, this chapter offers a more detailed justification for the whole-school approach.

The implications of reconsidered educational goals. The assumption that learning is the result of the work of individual teachers did not cause any organizational difficulty until factual subject knowledge was emphasized in education. However, when the cross-curricular competencies do show up on the horizon of education, especially since we determine goals in terms of competencies, it is increasingly clear that their development cannot be assigned to a specific subject of an individual teacher. For example, teachers of language and literature cannot take credit alone for the high literacy performance of students, because it's the merit of teachers of history, math, and biology, too. It also means that the work of different teachers educating the same students may amplify (or extinguish) each other's impact on the development of certain competencies. Obviously, *the outcome of learning is the result of the entire school.* The implications of this statement for school operations are tremendous.

It is not only teaching that generates learning in a school. As has already been mentioned, teaching is not the only contribution of schools to learning. Apart from providing the setting for peer group relations, the organizational aspects of "living in a school" are intentionally, but more often than not unintentionally, teaching, too. Those who are interested in the development of various areas that hardly can be forced into the child-mold of a single subject find this trivial. For example, this is the case with civic education; what a school models probably has a much deeper impact on the political socialization of students than as a subject within which various electoral systems are studied.

The limits of individual methodological innovation efforts. Our contemporary understanding of "good teaching" is based on the requirement of using a rich toolkit of methods for organizing learning and instruction. There are certain methods that call for a great deal of organizational flexibility. The traditional rigid rules of managing time,

human resources, and space in a school are often the major obstacles to any meaningful change. For example, adjusting teaching to the social nature of learning would require violating one of the traditional success criteria for teaching: a low noise level in the classroom during the lesson. Overrunning the sacred pillars of school operations (such as the length of lessons or the traditional setting of how classrooms are furnished) does not only clash with the routine of old habits but also requires a high level of cooperation from teachers; these are not things that can be changed for the sake of a teacher minority.

The limits of individual responsiveness to external expectations. We previously asked: are individual teachers able to adjust to all of the relevant contemporary expectations towards education? The answer was no. However, schools as organizations that build on the potential of teachers to cooperate in undertaking specific roles within a joint adjustment effort—at least, in theory—can. Therefore, while setting certain expectations of individuals beyond their capacity to become an active part of the required organizational change is increasingly regarded as unfair, the expectations towards schools are becoming even greater. If someone “Googles” the term “whole-school approach,” he or she will get huge amount of hits starting with the “whole-school approach” to almost any aspect of education. Of course, it has serious consequences to the required competencies of teachers, too. Organizational competencies are emphasized here as equally as the mastery of the methodology of instruction.

The limits of individual learning. When pronouncing that it would be unrealistic that all teachers will catch up to the many contemporary (legitimate) external expectations towards education, we do not mean to say that teachers should not develop perpetually. Teachers, who are in charge of supporting the learning of others, should be “lifelong learners,” too. Therefore, it is not unfair to apply the five conditions of successful learning to teachers:

- *Motivated learning:* feedback on the results of the work, making success visible and rewarding high performance, reducing additional tasks and duties, etc.
- *The individual return of learning:* career progress, differentiation of compensation, etc.
- *Access to information:* individual performance evaluation, information about learning opportunities, access to good practices, primarily to those of other teachers within the school, etc.
- *Access to learning opportunities:* a rich offer and easy access to learning opportunities within and outside of school (in-service training and capacity building embedded into school activities), etc.
- *The culture of learning:* “learning-friendly school policies,” sharing of knowledge among teachers, etc.

We will return to all of these aspects of teachers' learning later. Here, it is important to draw attention to the fact that this (rather indicative) list does not contain anything that has something to do with the personality of the teachers. Of course, there are teachers who are more ready and able to learn than others for various individual reasons; teachers are as diverse as students. However, the "personality" of the staff of schools is not a governance matter; what is relevant from a governance point of view is the fact that all the previous conditions for teachers' learning are the features of an organization within which teachers are working together. Therefore, the primary agent that is responsible for ensuring the condition for teachers' learning is their own institution.

Who is holding teachers accountable? As a result of the whole-school approach, individual teachers are increasingly being held accountable within quality evaluation systems. Indeed, many contemporary quality evaluation systems have been reorganized in order to enable them to hold entire schools accountable (see Chapter 12). However, parallel to the withdrawal of state institutions from the classrooms, schools should develop those internal mechanisms that hold individual teachers accountable. Ensuring professional accountability in the relationship between the schools and their employees—in spite of the diversity of approaches and actual technical solutions—became a basic requirement for schools in almost all European countries. (As will be seen, it is definitely not the case in most South Eastern European countries.)

The poor impact of development. There is a specific type of experience that nurtured a whole-school approach long before governance and management systems took notice of the importance of realignment: that of educational development. Experts within various fields and topics of educational development readily acknowledge that schools cannot be "developed" from outside; it is only the self-guided and managed effort of the management and staff of the school that is able to change anything. In addition, individual change is limited and unsustainable. All sorts of innovations that remain isolated within the school are very limited in terms of their scope, very poor in terms of their implementation, and very short-lived. Therefore, effective development, that is the implementation of innovations of any kind, is per definition an organizational process.

All these arguments for overstepping the traditional teacher-centered approach to education drastically overwrite the very foundations of educational governance. *The individual teacher is not the primary target of governance of education anymore; it is the school as an organization.* Obviously, it calls for reconsidering the traditional pattern of the organizational setting of schools. Also, all the functional instruments that will be discussed in the following section should be reset accordingly over the course of decentralization.

7.2 The Organizational Architecture of Schools

Before describing how the schools that fit into new organizational functions operate, we should address two questions: are the schools truly organizations and how much are schools able to exercise their organizational roles in centralized systems?

Are Schools True Organizations?

The assumption that schools are organizations is not as obvious as most of us would think. According to a very traditional approach, schools are the buildings where students come on a regular basis because teachers are giving their lessons there. This teacher-centered view of schools is not modulated very much by minor facts, like some administration is also involved, students have their meals in the school cafeteria, or some excursions are organized by the schools. To a certain extent, this view of schools as “non-organizations” is confirmed by the nature of teaching that is often referred to as a lonely profession: when teachers actually teach, they are isolated from their colleagues, and their only immediate reference is the feedback they receive from students. In most other organizations performing the core business of the organization requires cooperation among professionals and—even if the feedback to the individual is poor—the performance is visible and permanently judged upon by other professionals.

The isolation of teachers is protection at the same time. As Michael Fullan and Andy Hargreaves wrote, this isolation and the uncertainty caused by the lack of feedback by other professionals make teachers individualistic and conservative. Although it is not the teachers who should be blamed if schools are not working properly, the schools consist of teachers that determine the character of the organization that they operate. This is the reason why Fullan and Hargreaves, when referring to schools, instead of using the term “organization” they speak of “work communities” and “school cultures” (Fullan and Hargreaves 1992). There are also others, who in connection with schools, constantly use the term “institution” in order to indicate that schools are not necessarily organizations in the narrow sense. In several countries the ruling climate of educational discourse rebuffs the labeling of schools as organizations. (“Schools are not business organizations and they should not be made so.”) As a result, what applies to any other service organization does not necessarily apply to schools and the instruments that are used to improve the quality of business services are not to be used in schools.

So the question is: what makes an institution an organization? Since too many sciences are studying organizations from multiple, varied perspectives, providing a definition that satisfies everyone and helps to determine whether schools are organizations or not would be a hopeless endeavor, and it is not the purpose of this text. Therefore, referring to its very general meaning, organizations are social constructs that pursue

common goals and have *formal boundaries* that separate them from their environment. Therefore, referring to schools as institutions (i.e., as structures and mechanisms of the social order that govern the behavior of individuals, such as marriage) sounds like the denial of both features of the schools. The second characteristic of organizations (clear boundaries) is hard to deny; not only because of the space that the school building defines, but also because of the regulations that all public institutions are subject to. However, a school as something that serves common goals is not that obvious. Disregarding the very general purpose of serving, teaching, and learning that do not make a difference among individual schools, in centralized systems the goals (i.e., the purpose that a specific school should serve) originate from outside. Therefore, since schools do not determine their own goals, they can appear to be less than an organization. Add to this the lonely character of teaching, and a school looks even less like organizations. (Schools being operated by highly-trained intellectuals who are striving to maintain their self-esteem, this “less than an organization” character is communicated as “more than an organization”: temple, workshop, second home, etc. Those, who do not share this elevated view rather observe schools as factories of the early twentieth century.)

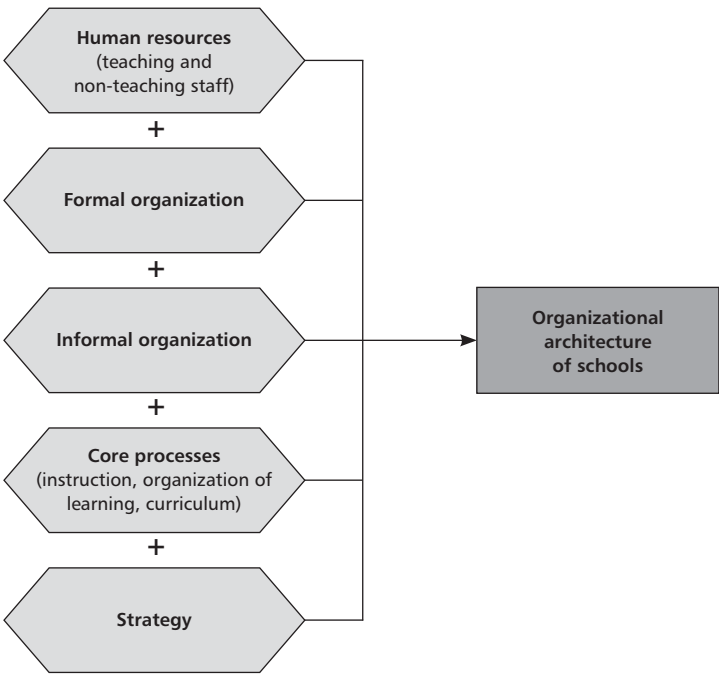
This is precisely what decentralization mainly changes. When schools become responsible for the service they provide and start to determine the specific goals they pursue on their own, there is pressure on them to start to behave like “real organizations.” But still, even if they do so, those characteristics that are widely associated with organizations, such as internal functional departmental divisions or hierarchical management structures, offer very little help to understand how schools are working. What may help is broadening the scope of our inquiry to the *organizational architecture* of schools.

The organizational architecture is the framework within which an organization realizes its qualities throughout exercising its core functions. It includes its human resources, formal organizational relationships, informal relationships among the members of the staff, the core activities of the service provided to the clients (often referred to as “business processes”), and the strategy of the organization that determines the direction of activities within the organization. (School strategy can be a school-based curriculum, a mid-term school development plan, a quality management plan, or something that all these different “strategic documents” conflate.) From this perspective, schools are organizations that are much less characterized by their formal organizational settings and much more by the informal net of personal relationships.

The consequence of this feature of schools is that the traditional formal instruments (job descriptions, operational and organizational statutes, firmly determined management authorities, formal organizational policies, etc.) do not seem to be effectively determining the behavior of the staff of the schools. Thus, what really matters is the *organizational culture*, that is, the specific and unique combination of values, norms, customs, and traditions that determine and control the behavior of the members. Not surprisingly, when we are talking about specific schools, we rarely refer to their actual

organizational settings: they are simple, not very different from one another, and rarely are considered to be important. What makes a school unique, or what constitutes the difference between “good” and “bad” schools—whatever that means—in the great majority of cases is a combination of characteristics that has something to do with the organizational culture of schools. This is what educationalists describe as the “soft nature” of education, and this is also the reason why educationalist professionals in public management often have difficulties understanding one another’s views.

Figure 7.1
The Organizational Architecture of Schools



The principal question is: do we consider this feature of schools a deficiency or the normal character of schools that should not be radically altered? This dilemma is not very striking in highly centralized governance systems, in which ministries of education are doing “micro-management” by a detailed regulation of all organizational aspects of the operation of schools. The fact that the organizational culture of schools in these systems almost completely overwrites the formal organizational rules that are external to the schools (i.e., foisted upon the schools in the form of regulations from outside) is widely known, but this is not made public because it would weaken the very founda-

tions of the system. However, in the course of decentralization, along with deploying more and more responsibilities to schools, the expectations of the effectiveness of their organizational operation are growing dramatically.

There are two typical answers to this dilemma: one that aims at *acculturation* and the other that aims at *improving organizational effectiveness*. Those whose point of departure is an educationalist view are not overly concerned with the technical realignment of school organization. As Michael Fullan (2002) writes: "... reculturing is the name of the game. Much change is structural and superficial. The change required is in the culture of what people value and how they work together to accomplish it." Their instrument is a "movement" that mobilizes the energy of the school staff along pedagogical goals by generating high personal commitment among a critical mass of the teaching staff in order to change the organizational culture. Since the traditional formal organization of schools is incapable of nurturing and implementing major changes, the high level of emotional and intellectual commitment of individuals is much needed for voluntary action that may offer the reward of personal self-fulfillment, even at the cost of some overwork. (For example, the title of a book by Michael Fullan and Andy Hargreaves is: *What's Worth Fighting for in Your School?*)

Reform movements are really working as such: they have their organized voluntary networks, have their own symbols and rituals, and are led by their own priests or gurus. And what is even more important, they are very effective—in schools that already have the potential and the desire to change. And this is exactly the point of departure for those who consider the formal organizational side equally (or more) important: decentralization measures do not deploy more responsibility to only those schools that are capable of achieving it; it increases the autonomy of all schools. Therefore, all schools should establish those formal organizational (i.e., institutionalized) procedures and settings that ensure a minimum level of quality and effectiveness. Those who support organizational efficiency call for less "fight" and more professionalism.

Even disregarding the personal view of the author on this matter, it is important to note that there is a dynamic between the formal and informal organizational aspects: while the organizational culture of schools largely determines the way formal procedures and relationships are actually operated, without inserting individuals into a different organizational setting, acculturation (i.e., changing the norms, values, and customs widely shared in a school) can hardly be achieved. Organizational reform does not achieve acculturation, but it is an effective first step. In addition, a school manages all sorts of financial and human resources, as well as its facilities; organizes and manages its core activities (instruction, organization of teaching and learning); and cooperates with its clients and external partners. All these activities entail a great deal of core organizational management.

Typical Organizational Patterns

In part due to the “a little bit less than an organization” character of schools and partly due to the fact that schools are dealt with by many as black boxes, we do not have very much international comparative information about the inner organizational world of schools. Most comparative analyses focus on the management of schools that is widely considered identical to organizational structures and processes (see Chapter 8). Nevertheless, a few characteristics that are rather typical for the schools in South Eastern Europe can be shared. Bearing in mind what was said in the previous section, when describing these typical patterns of how schools operate, we cannot focus exclusively on the formal organizational aspects of their work.

Teacher-dominated organization. There is barely any other organization in which highly-trained senior professionals make up the great majority of the staff. Even in a hospital, which is also dominated by frontline professionals, the number of support staff (nurses, attendants, technical, and administrative staff, etc.) might exceed that of the doctors. But in a school most of the supporting tasks that do not necessarily require a high level of qualification are also performed by teachers; even the managers of schools are teachers. As a result, schools are extremely teacher-centered organizations, their interests often more decisive than the interests of the clients.

Teacher monopolies. In a traditional school setting, many decisions to be made on a regular basis are thought to be the monopolies of teachers. For example, even if some decentralization of the curriculum has already been implemented, the choice of textbooks and other teaching materials are not regarded to be part of the construct of a school program; it is dealt with as part of the “methodological autonomy” of individual teachers. It often leads to rather interesting situations, when different textbooks are used in the same school for the same subject at the same grade level. Another typical example is the choice of in-service training—of course, given that there is a rich supply of such programs. Due to this “freedom” enjoyed by teachers, decisions about in-service training are often based on the field of interest of teachers and not the actual capacity building needs of the school as a whole.

Personal relationships instead of organizational relationships. Any codes of “professional behavior” cannot be developed and applied in schools, because such norms are always based on clearly defined organizational roles and responsibilities. As a result, all sorts of activities requiring cooperation among teachers have a very strong personal dimension or are exclusively based on personal considerations. Also, organizational conflicts immediately become personal conflicts that make their resolution extremely hard. This very personal character of the organizational life of schools determines all aspects of professional cooperation. For example, a systematic mechanism for information sharing and open communication is typically replaced by the personal and selective use of information (i.e., gossip).

The hidden departmental divisions. As organizations, schools have an almost completely flat structure. There are no senior or junior positions and there is no middle-layer management with specific functional responsibilities. However, there are two aspects of the work in schools that create hidden departmental divisions, that is, the framework for daily cooperation among teachers. In all schools classroom teachers and teachers teaching the same subjects form semi-institutionalized departments, (such as *Aktív* in Croatia or *Munkaközösség* in Hungary), but their actual influence is rather limited. Another possible form of cooperation is among those teachers who are teaching the same students. Form masters are supposed to manage this cooperation, but since teaching is typically an isolated form of work, their initiatives to harmonize content or instruction and assessment practices would be considered as incursion into the privacy of other teachers.

Collective rituals instead of organizational processes. Real cooperation among teachers would require a lot of “extra time” and energy, as well as proactive management. Due to the voluntary nature of cooperation among teachers, it is inevitable that certain rituals are followed, such as the marking conferences at the end of each school year. In theory, in most educational systems a lot of decision-making authorities are deployed during these marking conferences. However, the preparation of the proposal discussed by the conference of teachers is not typically an open process and the discussion during the conference is rather formal. (A conference of 40–70 people rarely functions as an effective decision-making body.)

A missing element: the lack of personal career perspectives. When a teacher retires, his or her status is the same as when he or she entered the profession about forty years earlier. As will be further discussed later in this reading, the progression of teachers on the grades of a salary scale is not considered as career improvement, the salaries are not differentiated, and the incentives for better and harder work are extremely weak. A career perspective for the members of the staff, being the most important fuel of the organizational engine elsewhere, is almost non-existent in schools. The professional ethos of many teachers maintains a certain standard in connection to teaching but does not necessarily apply to organizational activities that are considered to be extra work.

The involvement of the clients in supportive roles. The consequence of the imbalanced power relationship between schools and teachers, on the one hand, and students and parents, on the other, is a very specific understanding of how the clients of the services (primarily parents) should be involved in the work of schools. According to this typical approach, students and parents are “involved” if they perform certain activities, the mere purpose of which is supporting the schools in performing their ordinary tasks. For example, student organizations might be expected to sanction the misbehavior of individual students or provide logistics to certain ritual activities of teachers. Often the only expectation towards parents is to organize catering for students and teachers when school-based examinations are held or to gather the money for the cost of extracurricular activities or excursions. Such voluntary contributions are important; however,

constraining student and parent activities to those that are appropriate for the schools and teachers (i.e., liberating them from the burden of certain tasks) is not what “involvement” really means.

School premises adjusted. The relationship between the style of teaching and the way classrooms are furnished was indicated earlier; there are classroom settings that hardly allow for anything but frontal teaching. The same applies to schools as workplaces. In an organization in which teamwork and cooperation among the members of the staff is essential, there are a lot of common spaces designed for this purpose. Also, where employees are expected to work a whole working day, a certain amount of space and specific facilities are made available to them. The actual design of the majority of schools in the region is very different. Teachers’ rooms are not designed for working there; the assumption is that all teaching-related work beyond delivering the classes is done at home. A teacher’s desk is the place where certain personal belongings can be stored for the duration of lessons and where teachers can have coffee while on break between two lessons. (The lucky ones are typically those teachers whose subject requires storage space for demonstration instruments, like maps, instruments for chemical experiments, or for sports.) School premises that are adjusted to the “lesson-factory” type of organizational life create a climate that freezes the atmosphere in the school.

The mix of all these aspects of the work of the “typical South Eastern European school”—obviously an unfair generalization—have a very important consequence; when schools attempt to be successful, or—for the sake of more precision—school directors want to make their schools more successful, they can hardly draw on the internal potential qualities of the organization. Whatever success in a certain context means, any change to improve the work of schools is somewhat hopeless without the instruments to mobilize the potential of the staff. Therefore, schools seeking success are dependent on potential external advantages: students with a good family background, maximizing the approved number of teachers and lessons, obtaining the best teachers, getting prestigious experimental programs approved, and achieving outstanding results with talented students at competitions (Setényi 1999).

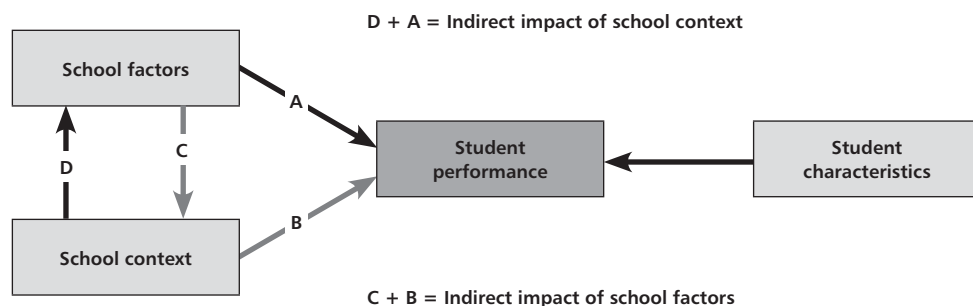
7.3 The Effective School

When exploring the secret of school effectiveness, that is, the characteristics of schools that achieve high learning performance, the first matter to be addressed is the latitude within which schools are able to influence students’ results. According to the analytical framework created for the interpretation of the PISA survey results, there are three groups of factors determining learning achievements: (i) *student characteristics*, such as the socio-economic and socio-cultural status of students, (ii) *non-amenable contextual factors*, such as the social composition of the student group enrolled, and (iii) *amenable school factors*, such as resources, climate, and school policies (OECD 2005). These

factors do not always influence student performance directly; in several cases contextual factors determine relevant school factors, like when students from an advantaged background improve the climate of the schools. Also, school characteristics may influence how contextual factors make an effect on performance; for example, schools with better conditions may attract students from an advantaged background.

Figure 7.2

Interrelations among Various Factors Determining Student Performance¹³



A statistical analysis of student performance data may estimate the weight of the variables connected to each of the three factors in explaining the variance of results in different countries. As the following figure shows, the relative weight of those factors that schools or educational policy through schools can directly influence is rather low. However, the direct and indirect impact on schools really does matter, and therefore the effectiveness of schools is a valid and relevant concern.

Table 7.1

The Impact of Different Factors Explaining the Variance of Student performance in PISA 2000 Reading Literacy Survey in Selected European Countries (in Percent)

Country	Student characteristics	Contextual factors	School factors	Non-explained variance
Albania	38	43	4	15
Bulgaria	22	56	9	13
Czech Rep.	60	24	4	11
Finland	14	3	16	67
Germany	36	44	7	12
Hungary	39	42	5	14
Macedonia	44	27	17	12
PISA average	46	26	9	20

Source: OECD 2005.

There is a great deal of literature on the factors that contribute to the effectiveness of schools, that is, to their potential to achieve high learning performance in their students. The insight on school effectiveness comes from multiple, varied sources, such as school effectiveness research, functional economic analysis, program and policy evaluation, etc. Unpacking the various school factors and the analysis of their impact on student achievement gives us an insight into the characteristics that have the potential to make schools more effective.

The first conclusion, however, that can be drawn from all this research is the identification of those factors that have very limited impact on effectiveness, or do not have a positive impact at all. These are typically those input-related aspects that are especially and often emphasized by educationalists in the South Eastern Europe. The great majority of research analysis proves that *there is no substantial correlation between teacher salaries, building facilities, or teacher/student ratio and the achievement of students* (Scheerens *et al.* 2003). In other words: investing in school equipment or increasing the salary of teachers will not improve the performance of the students. Also, the argument that generous teacher/student ratios (i.e., a low average number of students in classrooms) create a more favorable environment for effective learning is unjustified. The only consideration that modulates this statement concerns the correlation of material inputs and achievement in developing countries. The comparison between developing and developed countries shows that if very basic conditions are missing in certain segments of the education system, the correlation can be stronger. However, this definitely does not weaken the point that the effect of input factors on learning is negligible, because these basic conditions are typically in place in schools in South Eastern Europe.

Turning to those factors that have a positive effect on the performance of students, they are all process related: either certain characteristics of teaching in the classrooms or characteristics of the schools as a whole. The most important factors that various school effectiveness research results associated with school effectiveness are listed in Box 7.1. (Instruction-related factors, such as classroom climate and differentiation were discussed in the previous chapter, and those related to leadership and evaluative potential will be touched upon later in this book.)

Box 7.1
The Characteristics of Effective Schools

General Effectiveness Enhancing Factors

- Achievement orientation and high expectations
- Educational leadership
- Consensus and cohesion among staff
- Curriculum quality and opportunity to learn
- School climate
- Evaluative potential
- Parental involvement
- Classroom climate
- Effective learning time
- Structured instruction
- Independent learning
- Differentiation
- Reinforcement and feedback

—Scheerens *et al.* 2003

To a certain extent, the boundary between instruction- and school-related factors is ambiguous; most school factors have implications for teaching and vice versa. However, when considering the appropriate instruments to be used in order to improve the quality of the educational service provided by schools, the following good practices are worth being considered (Scheerens *et al.* 2003):

- *Achievement-oriented school policy and high expectations.* School policies must focus on the basic subjects as compared to other subjects and to general pedagogical aims, such as personal, cultural, and social development. Internal minimum requirements and internal measures of quality are to be focused on basic subjects, too. School policies should aim at reaching minimum competency objectives for all students. In addition to that, setting relatively high achievement levels motivates teachers and students; these high expectations are to be explicitly stated in all strategic documents. Becoming an effective school is the central mission of the school.

- *Consensus and cohesion among staff.* The extent to which schools achieve coherence and consistency in the work of teachers is an essential component of effectiveness. Therefore, the formal and informal types and frequency of meetings and consultations among teachers, the content of cooperation (e.g., pedagogical mission, aims, objectives, planning of lessons, teaching methods and materials, discussing pupils' achievement, treatment of pupils with learning difficulties, subject matters, achievement testing, counseling of beginner teachers, etc.) the level of satisfaction with cooperation, and the importance attributed to cooperation are all important indicators. Therefore, it is worth considering developing explicit school policies and concrete measures for the enrichment of cooperation.
- *Curriculum quality and opportunity to learn.* This factor of effectiveness at the level of schools refers to the composition of school curriculum and the choice of methods and textbooks. For example, one of the critical issues is how the school curriculum sets certain priorities within the existing framework of national curricula along core objectives of subjects. The curriculum is not implemented only through teaching; textbooks, alternative teaching materials, and internal assessment (testing) are instruments that should be selected and/or developed in line with the curriculum.
- *School climate (or school culture).* The two most emphasized aspects of school climate are an orderly atmosphere in the school and climate in terms of effectiveness orientation and sound internal relationships. Orderly atmosphere refers to the importance given to good discipline, a consistent approach to pupils' behavior, a safe environment, and to all sorts of rules and regulations, including the way absenteeism is handled, etc. The climate of effectiveness orientation includes the characteristics of the schools in relation to prevailing priorities, the level of motivation, commitment, and personal effectiveness of teachers. It also includes the quality of relationship between the teachers and the pupils, among pupils, and among members of the staff. The engagement of students in the work of the schools and the appraisal of tasks performed by teachers, as well as the condition of facilities also contribute to a good school climate.
- *Parental involvement.* Continuity in home and school learning and the active involvement of parents are important components of school effectiveness. Schools can actively generate strong parental support. The involvement of parents should not be constrained to "logistical" support to school life but they can be involved in consultation on pedagogical matters, too. The facilities of schools should allow for the presence of the parents and their complaints should be taken seriously. A specific aspect of parental involvement is informing them on a regular basis about the learning progress, educational aims, and pedagogical starting points of the school. Also, parental involvement should be ensured in

decision-making on policy, curriculum, school organization, and financing. The level of satisfaction of parents should be a major concern for the schools.

- *School aspects of effective learning time.* The management of learning time occurs primarily in the classrooms. However, active efforts by the school as a whole to enlarge the instruction time and to minimize absenteeism by good registration and monitoring, as well as reducing the number of lessons that are cancelled for any reason, are instrumental.

CHAPTER 8

Operating Schools

8.1 Quality Management in Schools

After differentiating quality and effectiveness in Chapter 5 for the sake of facilitating understanding, it is time to reconnect them: *the school factors of educational effectiveness are in fact the characteristics of schools amounting to high-quality organizational work that results in a high degree of learning outcomes for students*. Referring back to the most general definition of quality, these are the characteristics that make schools “suited for the purpose.”

In theory, the distinction between the *acculturation* approach (i.e., the school improvement movement) and the *organizational effectiveness* approach (i.e., organizational effectiveness technology) to schools as organizations (that was mentioned in section 7.2) may imply different methods of improving the quality of the work of schools. And indeed, this was the case for a long time; *school improvement* and *quality assurance* were genuinely different and—depending on the alignment of policies—various countries opted for one or the other. However, during the last decade that was a remarkable convergence between the two approaches. The reasons for this are manifold, but the most important ones are (i) the increasing focus of quality assurance systems on the improvement learning (i.e., the impact of the learning-outcomes approach), and (ii) the effect of the results of school effectiveness research on both sets of instruments. In addition, school improvement and quality assurance mutually enrich their views and toolkits. As a result, quality management and school improvement/development are often used as interchangeable terms. However, from a governance point of view the advantage of the “technological approach” is that it allows for a systemic introduction: a clear mandate can be deployed to schools with standard procedures, duties, and responsibilities, as well as the mainstream support system can be incorporated into the operation of a regular mechanism. (A large system such as primary and secondary education cannot be governed by the voluntary enthusiasm generated by “movements.”) Therefore, while acknowledging the essential input of school improvement, on the following pages we will focus on school-based quality assurance.

The Meaning and Purpose of Quality Management

External quality evaluation as a functional governance instrument will be discussed in a separate chapter in the next part of this book. However, since *school-based quality assurance and government-operated quality evaluation systems are complementary and interconnected mechanisms*, before going into the outline of the organizational side, we should like to advance a few considerations that apply for both aspects. The evolution of industrial quality assurance systems from inspection, through quality control and quality assurance, till contemporary quality management systems, and also, their applications in education systems is briefly summarized in Box 8.1 Of course, these changes are very much in line with those genuine educational paradigm shifts that were described in the previous chapters.

The most important changes from an organizational (school) perspective are the following:

- The gradual shift from the control of the workforce to the external evaluation of the whole school.
- The shift of responsibility for service quality from external evaluators to the service provider, from the individual professionals to the whole organization (to schools).
- The diversification of the underlying basis: the shift from control on the basis of remote, state-issued requirements to broadly-defined, various aspects within which the concrete requirements are set by the service-provider institution.
- The standardization of processes instead of the standardization of content.

What follows from all these changes is the need to establish those internal organizational procedures in schools that allow them to catch up with their increased responsibilities. The set of such procedures are the quality management systems of schools. *Quality management is a cyclical process of reflection, planning, changing, and checking.* The primary aim of quality management is to narrow the gap between the goals and the actual daily practice of schools.¹⁴ The goals—as discussed earlier—are based on external references, such as national requirements and policy expectations, local requirements and expectations, and the expectations of the clients (i.e., parents and students). Since all these external references are perpetually changing, quality management is a continuous and systematic activity.

The basis of quality management is *self-evaluation* done partly on the basis of understanding internal problems through the use of simple tools, as well as understanding external expectations, for example, by surveying the satisfaction of parents. The other major component of quality management is *school development* (quality improvement) that aims at solving the problems that self-evaluation reveals. One of the most important

features of quality management is its cyclical nature. This is what often emphasized by the “plan-do-check-act” (PDCA) cycles; the evaluation of the results of a multi-year quality management process is part of self-evaluation at the beginning of a new cycle.

Box 8.1

The Evolution of Quality Assurance Systems

Inspection

- Post-production review
- Remote and absolute requirements
- Acceptance of failure
- Control of work force

In education:

The control of the work of teachers in the classroom is on the basis of centrally-issued syllabi; the framework of control is the subject.

Quality control

- Concerned with product testing
- Responsibility with supervisors
- Limited quality criteria
- Some self-inspection
- Paper-based system

In education:

The introduction of standard examinations and achievement surveys, syllabi developed by the teachers, plenty of documentation of the work, and softer (partly supportive) inspection on the basis of subjects.

Quality Assurance

- Use of statistical process control
- Emphasis on prevention
- External accreditation
- Delegated involvement of the staff
- Audit of quality systems

In education:

Increasing the role of school management and increasing the emphasis on organizational aspects, and the introduction of accredited quality assurance methods, inspection targets the whole school and strongly supportive, curricular bases is a framework.

Quality management

- Involves suppliers and consumers
- Aims for continuous improvement
- Concerns products and processes
- Responsibility with all staff
- Delivered through team work

In education:

Introduction of cyclical and permanent quality management systems with the involvement of the entire staff, the measurement of the satisfaction of students and parents as part of self-evaluation, school improvement with strong focus on improving learning.

Quality management is systemic because it covers all aspects of the work of the schools, involves the participation of the whole staff, and supports responsible management with clearly-defined tasks to be performed. In fact, operating a school-based quality management system became a distinct organizational function that integrates various organizational activities that were once rather isolated. Also, due to the incorporated mid-term planning process, quality improvement (i.e., school development) plans became equally important strategic documents as school-based curricula. (Taken together, school curriculum and school development plans are often referred to as the “strategy” of schools.) As a result, quality management is a very important source of routine annual planning of the school year that schools always do.

Quality Management Models in Europe

There are several models of quality assurance that were applied in education and used in the majority of schools of European countries. The major ones are the International Standards for Total Quality Management (ISO), Total Quality Management (TQM), and the so-called Scottish Model: the Quality Initiatives in Scottish Schools (QISS). The original two models (ISO and TQM) are industrial models that were adapted to the specific needs and language of education. Although there originally were significant differences between the two models, their evolution made them very similar; the ISO 2004-2 can be interpreted as a variation of TQM also combining process and product/result management. Also, other aspects of these models (such as the importance of partnerships or social impact) became very similar in the two models. The ISO has an international audit system. The European Foundation for Quality Management (EFQM, also known as the European Business Excellence Model) is a TQM-based tool. It does not have an international audit system, but organizations (including schools) may compete for the European Quality Award. The main difference between the two models is that ISO is more standardized and linear, while TQM is circular (organized into quality management cycles). Whereas ISO sets standards against which organization are compared, TQM is more open to organizational development; therefore, it is more easily applicable in organizations with less complicated administrative processes. Thus, according to many educationalists, TQM fits better to the kind of service provision of education. The Scottish Model combines elements of How Good Is Our School (HGIOS) (a distillation of good practices in education) and TQM. The main purpose of the model is incorporating the experience of good practices extracted from inspection reports into quality management systems of schools (Kaposváry 2002).

In order to ensure the free flow of labor and services within Europe, ensuring quality is one of the rare educational areas in which the European Union developed a firm policy at a very early stage. In 1991, there was a shift in the alignment of the pattern of

how EU member countries cooperated in the field of education. The longstanding goal of harmonizing content in education was abandoned, and the “principle of confidence” was applied.¹⁵ This shift automatically drove the attention to the national quality guarantees that ensure trust among the member countries, first of all in quality assurance in education. A long process of cooperation in this field led to the development of a common policy in quality evaluation in education in 2001.¹⁶ The major pillars of the EU recommendations are the following:

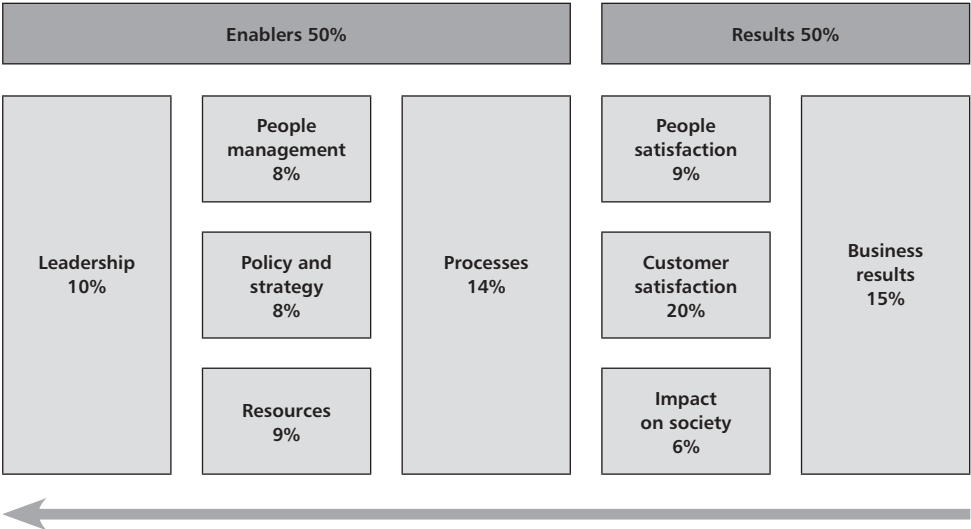
- The development of transparent quality assessment systems.
- The involvement of all interested parties in external and self-evaluation.
- Linking external and self-evaluation.
- Supporting capacity building for those who are participating in quality evaluation.
- Fostering horizontal learning among schools.

The key elements of the quality policy of the EU in education are institutional self-evaluation, the involvement of partners, and the development of the necessary competencies. (As will be seen in Chapter 12 on quality evaluation, other elements of quality evaluation systems have remained matters of national interest.) EFQM, the European instrument for quality management, fits into this policy framework. EFQM is designed to orient self-evaluation that is followed up by quality improvement. Since results are produced by those who work in the organization (“enablers”), EFQM includes the areas related to “how” and “what”: their weight is equal. The instrument describes the self-evaluation process, and the various areas of quality are weighted. As can be seen in the following figure where “customer satisfaction” (i.e., the satisfaction of parents and students) received more weight than the actual “business results” (i.e., educational outcomes) that reflect the difference of the meaning of quality and effectiveness. Also, the satisfaction of school staff has relatively high importance. As far as enablers are concerned, the weight of the various factors is more balanced; however, the importance of organizational and “business processes” (i.e., teaching and learning) are especially emphasized.

The identification of areas of quality applies well to education, and all of them easily “translate” to specific areas of the operation of schools. (EFQM instruments used in schools clearly apply the terminology of education.) However, the weights associated with the different areas of quality in education—although accepted widely—are based on a certain point of view from a specific time period. For example, as the learning outcomes approach has begun to prevail, one might argue that the “business result” determined in terms of learning outcomes should have more weight. Since TQM-based instruments do not adhere to set standards, when adapting EQF—it is not necessary to

follow this weighting. For example, the Hungarian “Comenius 2000” instrument, an EFQM adaptation, fine-tuned the original system by identifying more areas of quality (twelve instead of the original nine) and left the schools to decide what would be the actual weight associated with them. The underlying assumption was that certain aspects may have a very different weight within the very specific context of different schools. Another feature of the Hungarian adaptation is that the instrument was leveled for “beginners,” that is, schools just starting to implement quality management, and for “advanced schools” that already have experience in self-evaluation and school development (Comenius 1 and 2). The flexibility of the instrument in the course of experimental implementation proved to be effective.

Figure 8.1
The European Framework for Quality Management (EFQM)



In South Eastern Europe, the only education system that already introduced mandatory self-evaluation and school development in schools is in Serbia. (Though even in Serbia, it is not a widely implemented instrument with the necessary competencies and support services in place.) All the other countries are lagging behind in this respect.¹⁷ However, if the introduction of school-based quality management will be initiated, the countries of the region may turn to the many experiences other European countries have accumulated

The Design of Quality Management Systems

The process of self-evaluation and quality improvement based on the findings of self-evaluation can be organized into an algorithm of simple sequential steps. At certain points of the two connected processes, the involvement of the entire staff is needed, and certain management decisions should be made.

Conducting self-evaluation is worth considering as a project with a well-defined beginning and end, the deployment of the necessary resources, actors who have specific tasks and responsibilities, and a well-designed timeframe and specific “products” at the end of each stage. The major *self-evaluation* steps are the following:

- (i) *Preparation for the self-evaluation process.*
 - Assignment of those who are participating in the self-evaluation process (evaluation team).
 - Communicating the purpose and process to the staff of school.
 - Building the capacities of the members of the evaluation team.
 - Planning the self-evaluation process.
 - “Unpacking” the areas of self-evaluation by determining concrete evaluation criteria.
 - Selecting the methods of information gathering.
- (ii) *Managing the self-evaluation process.* The staff of the school may have assumptions, views, and opinions in relation to all self-evaluation area and criteria. Self-evaluation is not simply collecting these views; in all cases the question should be asked: how do we know? Therefore, the most important activity in this stage is gathering information on the basis of evaluation criteria by simple instruments, such as SWOT, peer reviews, student and parent surveys, climate tests, etc.
- (iii) *Gathering additional information.* The collection of information over the course of self-evaluation allows for pre-selecting those problems that are regarded as the most important by the members of the evaluation team and the management of the school. It is especially important if the self-evaluation process reveals too many problems that may paralyze the team. There might be a need for further information-gathering in relation to these problems. Additional simple methods can be used in this stage, such as the Ishikawa diagram.
- (iv) *Summarizing and analyzing the results of self-evaluation.* The analysis of the gathered information and the preparation of the instruments for presenting the findings.

- (v) *Problem selection.* Determining the most important (a limited number of) problems revealed by the findings of self-evaluation that will be addressed by the school development process.

When designing self-evaluation systems as mandates given to schools by regulations or guidelines and manuals, there are several questions to consider. The most important ones are the following (Eurydice 2004):

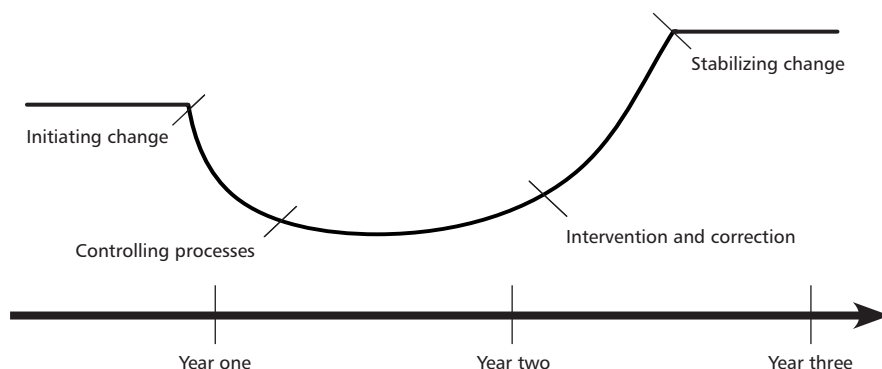
- *Is self-evaluation compulsory or not?* Although in most European countries, self-evaluation is mandatory, there are countries where it is strongly encouraged or voluntary.
- *What is the basis for benchmarking?* Performance references can be provided by annual national inspection reports, national performance benchmarks, national value added indicators, simple national quantitative indicators, or by something else.
- *What do schools evaluate?* What are the underlying frameworks, standards, or criteria for self-evaluation? Are these identical to the inspection framework, or do separate guidelines lay the framework for self-evaluation?
- *What are the common key areas to be evaluated?* Are they related to the teaching-learning process, or do they include the management processes and educational output, as well?
- *Are alternative frameworks allowed?* It is not necessarily a government priority that all schools use the same instruments. However, connecting external and self-evaluation is much easier if it is not only external evaluation that is standardized.
- *What are the methods for collecting information?* For example, questionnaires, committees, surveys, interviews/discussions, tests, observation, analysis, etc.
- *Who are the relevant stakeholders in the process?* For example, school management, school boards, public administration officials, school directors, teachers, parents, pupils/former pupils, community, inspectors/advisors, etc.
- *Is reporting compulsory?* If yes, what are schools to include to their reports? For example, schools may report the results of the whole self-evaluation process or certain outcomes for meta-evaluation, or they may report to the inspectorate. Also, there might be a limited internal reporting obligation for stakeholders. What is reported to the wider public, and how?

The identification of problems allows for the selection of those limited number of goals that the staff of the schools decides to implement within a *school development process*. School development is a plan-based organizational and pedagogical change process with clear directions for action, deadlines, responsible persons, and required resources. The actions of the school development plans are either incorporated into the regular annual plans of schools (such as the annual decisions on the allocation of classes among the teachers of different subjects or the selection of textbooks) or organized as development or innovation projects. There might be components of the school development plan that may require the revision of existing school policies or the development of new ones, and their implementation. (For example, the enrollment policy of the school, the way the performance of teachers is evaluated annually, or certain organizational statutes.)

School development has its typical algorithm, too: (i) determining the development areas and goals, (ii) gathering the best practices of other schools in relation to the development goals, (iii) the development and approval of the school development plan, (iv) implementation and monitoring, and (v) a final evaluation of the development process that is already input into the next quality management cycle. The process of the implementation of the school development plan should be monitored on a regular basis. The final evaluation of the results of school development provides input to self-evaluation of the next quality management cycle.

One very important aspect of school development is its required timeframe. Effective change takes time. According to Michael Fullan, specific innovations need three to five years, and institutional reform takes more than five years (2006). The underlying notion of a multi-year timeframe for improvement is a specific feature of organizational change: the “implementation dip.” If an organization is working at a certain productivity level, it is to a large extent based on routine procedures and activities. Introducing any change in an organization wipes out these routines and causes a lot of resistance, uncertainty, and confusion. Also, organizational changes of any sort almost inevitably cause unintended effects that may work against the initial purposes of the change initiative. Although the expectation behind engaging in organizational change is improving productivity, in the first period of the process it causes a temporary productivity decline. In the course of the process of change, these difficulties should be unfolded and dealt with, and that requires interventions and corrections, sometimes several times. These interventions may guarantee that the decline of productivity will be only temporary, and the overall result of the change process will be an improvement by comparison to the productivity of the organization at the starting point. Also, the results of the change process will be rather fragile, until new personal and organizational routines stabilize. The most important implication of the implementation dip is the timeframe of quality management cycles; it is never shorter than three years. Therefore, quality improvement cannot be squeezed into the Procrustean bed of annual planning exercises.

Figure 8.2
The Implementation Dip¹⁸



It is essential to bear in mind that introducing such systems in schools in all the countries in South Eastern Europe requires the implementation of a wide range of measures of three kinds: (i) removing certain obstacles, (ii) deploying the relevant mandatory organizational tasks, and (iii) development to ensure the necessary conditions within and around the schools. As far as the existing obstacles are concerned, the most important is the massive over-regulation that is characteristic of all these highly-centralized governance systems. In schools where detailed regulations stifle their development, the process of self-evaluation and school development will always clash with problems that are external to the schools, matters that schools cannot always control. Thus, the first condition of implementing school-based quality management systems is *systematic de-regulation* that liberates all aspects of the work of the schools. Without this, introducing any form of quality management will only generate useless administrative paperwork that will further deteriorate the quality of the work of schools.

The second set of conditions is implementing the *regulations that determine the necessary organizational tasks*. For example, the descriptions of the duties of school directors and their qualification requirements should be amended, the duties of teachers should be determined for the entire work week, not only for the period of contact hours in the classrooms, procedural rules should be set, etc. It is a complex package of connected policy measures.

The third set of conditions is a *large-scale development program*: the development of the instrument used in the course of self-evaluation and school development (e.g., manuals), capacity building for all actors involved, development of the necessary external professional support services, development of the information and knowledge basis for quality management (e.g., indicator systems for benchmarking, collections of best practices, etc.), and the development of frameworks within which schools can

cooperate. The most important external condition is the realignment of the external school evaluation that will be discussed in a separate chapter.

8.2 Management and Leadership

What has been said so far in Part Two about the changing scope of organizational autonomy of schools automatically leads to the redefinition of the role that school directors play. In fact, over the course of decentralization, school leaders will face much more dramatic challenges than any of the teachers or other actors in educational management. School directors in South Eastern Europe countries are very much aware of the implications of the inevitable forthcoming changes, even if they cannot necessarily predict the direction or depth of the change. For instance, this is the reason that the number one request in Croatia or in Bulgaria is for an improved supply of training programs for directors.

The distinction between organizational operation of schools and school management is rather artificial, because there is no any aspect of the work of schools that is not subject to management. (Most comparative overviews on school organization focus exclusively on management structures.) However—apart from the thematic emphasis of this text—there are two reasons why separate discussion seems to be useful: the actual pattern of the institutional setting in schools largely determines the type of management, and the internal organization of schools is not the only reference that determines the latitude of management activities.

Organizations and Leadership

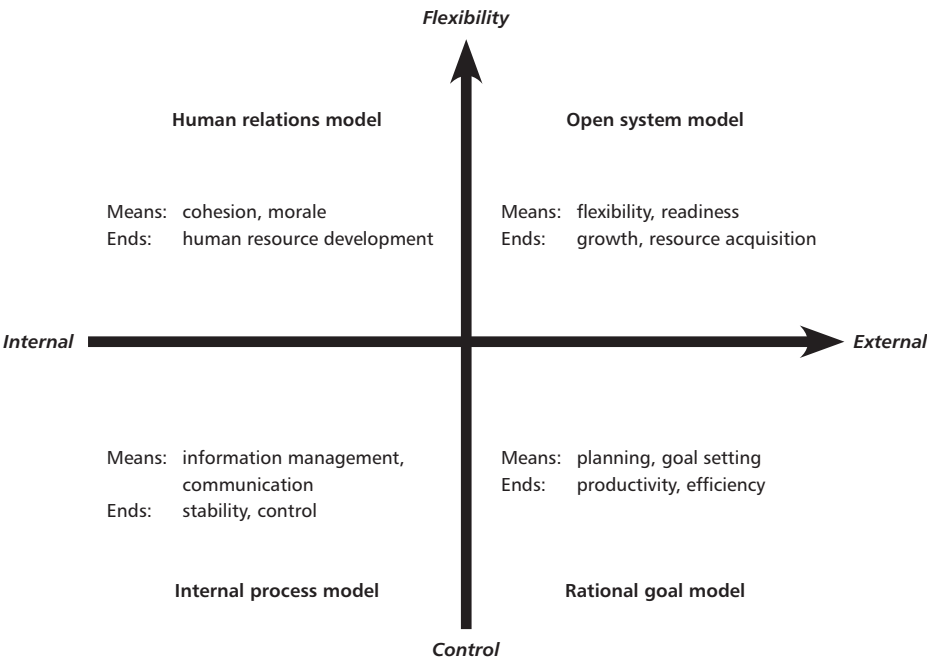
Certain types of leadership fit to certain types of organizations and fail completely in other organizations. Therefore, the characteristics of “good leadership” are not independent from the characteristics of the organization to be led. So far we may have created the impression that schools are the same, or at least extremely similar, wherever we go. At the surface it is true; however, good leadership must be judged bearing in mind the breadth and depth of an organization, where this similarity disappears. In fact, upon closer inspection, all schools are different.

In attempting to understand this diversity of organizational context of schools, some orientation is offered by the “competing values framework” developed by Quinn and Rohrbaugh by analyzing the indicators of effective organizations (1983). According to the model, there are two dimensions of organizational effectiveness. The first dimension is related to the organizational focus, changing from an emphasis on the people in the organization (internal focus) to emphasis on the organization itself (external focus). The

other dimension is the organizational structure preference: stability and control on the one hand, and flexibility and change on the other. These two dimensions mark out four types of approaches to organizational effectiveness:

- *The human relations model:* emphasis on flexibility and internal focus. The main objective is strengthening cohesion, commitment, and morale, as well as the participation of the staff that leads to the development of the organization’s human resources.
- *The open system model:* emphasis on flexibility and external focus. The main objective is strengthening readiness and promoting innovation and adaptation, in order to ensure growth and resource acquisition.
- *The rational goal model:* emphasis on control and external focus. The objective is planning and ensuring the clarity of goals, in order to ensure productivity and efficiency.
- *The internal process model:* emphasis on control and internal focus. The objective is information management, documentation, and internal communication, in order to strengthen the stability of the organization.

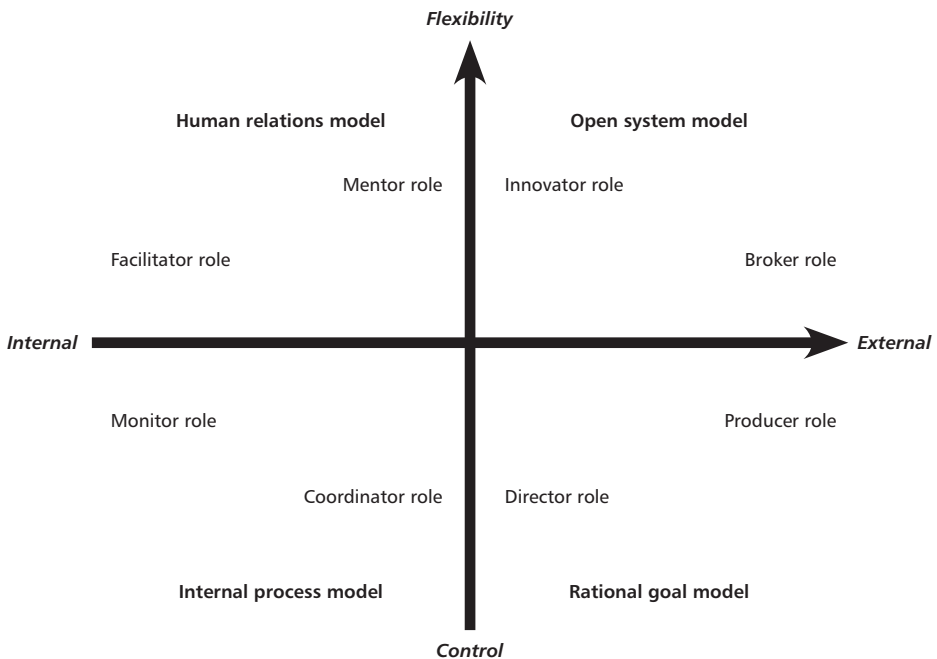
Figure 8.3
The Competing Values Framework: Organizational Effectiveness



Leadership behavior is very often dealt with as something that is determined by the personality and former experience of school directors. Indeed, these factors are extremely important. However, leadership strategies—at least in theory—are to be adjusted to the challenges that the organization faces. Sometimes bold decisions are required, while in other cases, small incremental changes are needed. Observing the big picture of strategic issues is equally as important as absorbing small details. The actual state of affairs in a school may call for strong internal focus, while in other cases, adjusting to external expectations may require emphasizing the interest of the school as a whole. Contemporary research stresses the behavioral complexity of effective leadership, that is, effective leaders may play multiple, occasionally contradictory roles. Thus, what we may call good leadership is—and should be—very much contextual. (This is exactly the context that school directors may grasp through the regular use of insight resulting from self-evaluation.)

Returning to the competing values framework, the four models of ensuring organizational effectiveness lay out eight distinct leadership roles. The distinction between the different leadership roles within the same model of organizational effectiveness is established on the basis of the proximity to the two dimensions that determine the models.

Figure 8.4
The Competing Values Framework: Leadership Roles



The eight types of leadership roles and the related behavior patterns are the following (Quinn and Rohrbaugh 1983):

- *Human relations model*
 - Mentor role: understanding self and others, communicating effectively, developing subordinates.
 - Facilitator role: building teams, using participatory decision-making, managing conflict.
- *Open systems model*
 - Innovator role: living with change, thinking creatively, creating change.
 - Broker role: building and maintaining a power base, negotiating agreement and commitment, presenting ideas.
- *Rational goal model*
 - Producer role: working productively, fostering a productive work environment, managing time and stress.
 - Director role: envisioning, planning, and goal setting, designing and organizing, delegating effectively.
- *Internal processes model*
 - Monitor role: monitoring personal performance, managing collective performance, managing organizational performance.
 - Coordinator role: managing projects, designing work, managing across functions.

The question in relation to the various types of leadership is not the choice of the appropriate model; each role refers to a set of instruments that might be more or less effective within the actual specific context of schools. It is up to the directors to put together their “own packages” on the basis of their understanding of the situation and, of course, within the limits of their personal and professional competencies.

The Types of School Management Frameworks

The latitude within which school directors may consider different leadership roles largely depends on the actual role that is determined by the allocation of decision-making authority among various actors. Of course, this space is radically different in centralized and decentralized management systems.

In *highly-centralized management systems*, school management is a person whose authority is limited, so he or she cannot fully fill any of the above mentioned leadership roles. The expectations towards school directors rarely go beyond the pedantic fulfillment

of various administrative tasks. Also, the criteria by which school directors are considered successful have very little to do with the core functions of the schools, partly because there is no information produced on the results of teaching and learning, and also because directors do not control any aspects of quality and effectiveness.

These features of centralized management have two consequences for the actual role that school directors play. First of all, there might be a huge gap between the *formal role* and the *informal role* that school directors may play. For example, in Croatia the “governing body” of a school is the school board that consists of four teacher representatives, three representatives of the owners of the school, and two parent representatives. The composition of decision-making competencies of the board is a typical mixture that corresponds to the authority of the owners of the school, such as appointing the director, and those decisions that are normally made by either the council of teachers or by the management of the schools. However, the underlying legislation is not very specific in listing the decision-making authority of the boards; it is regulated by the statute of the school that is approved by the owner. Therefore, in terms of the division of labor among the board, the director, and the self-government, there is a large variety of settings that leave a huge amount of space for informal power distribution and—in several cases—political influence on the management of schools.

Although the actual settings vary across South Eastern Europe, there is one common feature: creating opaque situations that leave a large space for informal settings that are determined by the dynamics of the personal relationships among all actors who are involved. For example, this ambiguity is created in Bulgaria as a result of the dual responsibility of school directors: they report to the municipality regarding financial management and to the regional inspectorate regarding “professional” matters. (Without empirical research in the region, an in-depth analysis of legal frameworks for management does not help nor make it easier to talk about the patterns of personalized school management that ambiguous formal settings generate.) Another consequence of the centralized system on the alignment of school leadership is the fact that the actual level and type of education largely determines the directors’ perception of their own role: in primary schools, directors are considered to be the “number one pedagogue” of the schools, and their identity is based on professional leadership roles. At upper levels of the system, especially in vocational education training (VET) schools, their understanding of their own role is much closer to that of a manager.

In *decentralized management systems*, the possible leadership roles performed by school directors are no less diverse, but for very different reasons. First of all, in the course of decentralization, parallel to increasing school autonomy and responsibility, more and more management functions are deployed to the schools that lead to the diversification of management authorities. (Managing autonomous schools that largely control almost all relevant aspects of their work is an extremely complex task.) As a result, *school management is less and less a single person and more and more a pool of decision-making*

authority that is distributed among various actors outside and inside of schools. This is why it seems easier to talk about “school management frameworks” than simply management in decentralized education systems.

When describing school management frameworks, it is important to make a distinction between decision-making authorities that fall under the category of *strategic management* and those of *organizational management*. Although the distinction is rather ambiguous, strategic management means the authority of determining the mission and goals for an organization and ensuring the implementation of these goals, while organizational management means performing a narrow range of management functions such as planning, organizing, staffing, and controlling. There are three typical patterns of allocating school management functions among various actors: (i) sharing strategic management-related authority with other actors while keeping full responsibility for organizational management with the directors, (ii) sharing certain organizational management responsibilities with actors outside of schools, and (iii) sharing organizational management responsibilities with actors inside schools.

The first pattern is the most typical, based on the integrity of organizational management in the majority of European countries. The pool of strategic decisions is very much identical to the “ownership” that has already been described in Chapter 4. There are several countries where strategic decisions are made by the owners themselves, as in Poland (the “school running body”) or in Hungary (the “school maintainer”). In other countries, local authorities do not exercise this task directly; for example, in England, they establish intermediate governing bodies in charge of making strategic decisions. Even in these cases, the boundary between “macro-management” and “micro-management” is clearly delineated. Due to the heavy emphasis on the professional autonomy of schools, the staff of the schools (mainly teachers, rarely non-teaching staff) is involved in strategic decision-making. It may happen directly, as the full or shared decision-making authorities of the teachers’ conference (Germany), pedagogical council (Poland), school council (Czech Republic), or teachers’ council (Hungary). (In most cases these authorities are shared; for example, the teachers’ council approves the “pedagogical program” of the school, but final approval is given by the owner of the school.) The involvement of teachers in strategic decisions can be arranged indirectly, as in England, where the representatives of teachers are members of the governing body.

The other two patterns are deviations from the typical setting. The most important feature of the second is the emphasis on local ownership, which, to a certain extent, overwrites the integrity of school management. For example, in the Netherlands all schools have a “competent authority” (most typically, a school board) that is in charge of making various decisions that in other countries would be regarded as part of the mandate of directors. In relation to most of the classic management functions, the role of the directors is to support planning and implementation. The third type of deviation from the typical case is when, to a certain extent, the integrity of the management au-

thority of directors is overwritten by the collective administrative management setting. For example, in Romania—apart from deploying quite strong authority to the teachers' council—there is an administrative council consisting of the members of school management, elected representatives of the teachers and the parents, and the representative of the local authority. There are various management tasks and decisions in the narrow meaning of the term that are performed or made by the administrative councils, such as the annual performance evaluation of teachers, the decisions on teachers' bonuses, controlling the syllabi, etc.

The actual characteristics of the school management frameworks determine the alignment of the school management. One aspect of this alignment is the question: what is the primary reference for the work of directors? On the basis of this aspect, we can make the distinction between *internally-referenced* and *externally-referenced* school management. If the work of the directors largely depends on the support she or he can receive from the teaching staff (especially, if teachers play a role in the selection of directors), directors likely become the agents of the teachers. In this case, the interests and views of the teachers will overwrite almost anything from outside (expectations, goals, regulations, etc.) that directors are supposed to transfer into the operation of the schools. (For example, it is often remarked in Hungary that teachers do not even need a trade union: their interests are protected most effectively by school directors.) In other cases, where the work and success of directors is largely determined by external governing bodies, such as the school owners or boards, directors perform their tasks as lower-level agents of public management. Externally-referenced school management is instrumental in the transmission of external expectations but might be a constraining factor towards ensuring the professional and organizational autonomy of schools. In practice—apart from the actual features of school management framework—behaving as an externally- or internally-referenced school director largely depends on the perception of the directors, as well. (This is why, in many countries, a heavy investment was made in the management competencies of directors, in order to balance the impact of selecting school directors from teachers.) Probably one of the implications of “good leadership” is balancing these two reference sources according to the actual needs of the organization.

In the discourse on decentralization in education in South Eastern Europe, references are very often made to the important role that school boards play in other European countries. However, it is important to recall that the primary condition of establishing high-functioning management systems is setting a clear division of labor among the various actors involved in the management of schools. (This is the basis for involving important stakeholders without ruining clearly defined roles and functions.) On the contrary, the tradition of managing by collective bodies has been so strong (especially in the countries of the former Yugoslavia where the traces of the old “self-management” system are still active) that very little effort had been made to determine the roles of individual actors with the necessary clarity. For example, school boards in Croatia are

very much designed and regulated in this fashion. As far as school management is concerned, the integrity of the mandate of directors should be ensured, precisely because of poor trust and ambiguous circumstances; only clear mandates create the appropriate foundation of strong accountability.

The Management Authority of School Directors

The management authority of school directors is largely dependent on the way various functional governance instruments in the systemic environment of the schools are organized and structured. For example, if fiscal decentralization deploys a great deal of financial planning and financial management duties to the schools, the scope and kind of work that directors perform also change a lot. Nevertheless, the basic features of the directors' mandate can be outlined here because all five areas of organizational management (planning, organizing, staffing, directing, and controlling) are organizational processes, the characteristics of which were discussed earlier.

- *Planning.* The typical routine planning exercise that all schools are obliged to do is planning for the upcoming school year: grouping newly enrolled children, allocating teaching hours, determining the use of school facilities, etc. A routine exercise in which school directors are involved, even if the actual planning is not done by the schools, is annual financial planning, that in centralized systems is not a sophisticated task. Although centralized management systems have the tendency to torture schools with unnecessary additional planning duties (very often duplicating reports they have already done), there is no real need to do more. The information that directors have access to matches the scope of planning they have to do: basic statistics and nothing else. The greatest planning-related challenge that directors face is solving scheduling conflicts among teachers generated by their new weekly schedule when they cannot satisfy all their conflicting claims. However, in the course of decentralization, planning becomes a complex task requiring specific skills, a great deal of external and internal support, and a much greater amount and type of information. Decentralization generates the demand for mid-term planning and for planning new aspects, such as that for quality management, individual performance evaluation, or internal school-based assessment. As a result, there is a radical shift from planning as an administrative obligation to planning as a strategic instrument of outstanding importance.
- *Organizing.* While planning as a function automatically changes a lot, because of the impact of decentralization, it does not apply to organizing, that is, to establishing the internal organizational structure of schools. As has been seen earlier, schools are rather simple organizations with a very limited capacity for change. However,

beyond certain changes in the organization of teaching and learning that directors may initiate if they receive the necessary support from teachers, the space for organizing is very much limited to the creation of *ad hoc* task forces. For example, even if operating quality management procedures is an already well-established system in the schools, due to the lack of functional divisions within the schools, the staff members who are actively participating in the work of the core teams on quality management are actually working on a voluntary basis or get only a temporary assignment. (Of course, their participation may become a “tradition.”) The point here is that increasing number of various organizational tasks that teachers should perform beyond the delivery of lessons also increases the number of organization-related tasks of the directors.

- *Staffing.* In general, human resource management contains five kinds of activities: (i) selecting and hiring the staff, (ii) determining the content of the work of the staff, (iii) performance management, that is the regular evaluation of the performance of the staff, (iv) compensation and the use of incentives, and (v) capacity building. If we look at these five areas of human resource management, it is obvious that in centralized management systems none of them are at the disposal of school directors. Even if human resources management authority is deployed to the directors in the course of decentralization (such as individual performance evaluation, the decision on salary differentiation, etc.), their latitude remains very limited by comparison to the human resource management mandate of managers in private organizations. In education, teachers are typically public employees for whom the qualification requirements are set by the government and who enjoy substantial legal protection. The content of their work is mainly determined by state regulations, their salaries are typically determined by state-issued salary scales, and their participation in in-service training is also based on a regulation-established mandate. Of course, this does not mean that decentralization cannot provide the space within which school directors are able to ensure that the human resources of the organization serve the goals of the organization.
- *Directing.* Directing, that is, influencing the behavior of people in the organization through motivation, communication, group dynamics, leadership, and discipline, is the basic task of directors and the scope of this task is not really determined by the level of decentralization. What determines it is the actual composition of instruments that are at the disposal of the directors, partly by their formal management authority, but probably much more by the actual type of the organization. Nevertheless, good leadership includes using the most appropriate means of directing, adjusted to the context. An important constraint on performing this function in schools is the extremely self-contained character of teaching. This is why a large number of school directors avoid entering the “private sphere of teaching.”

- *Controlling.* In theory, controlling the work of the organization consists of three consecutive steps: (i) establishing performance standards, (ii) measuring and reporting actual performance, (iii) taking corrective or preventive action if necessary. Education being a public service, the latitude given for directors of schools in relation to controlling is much smaller than that of the directors of business organizations. In schools, most of the performance standards come from outside, and state-run organizations are taking over the role of measuring and reporting, and the space, within which corrective action can be considered, is dwindling, too. Nevertheless, it does not reduce the sole responsibility of the directors for the performance of their schools. “Luckily enough,” most South Eastern European education systems—as a large number of other countries in the rest of Europe—do not make the failures of the schools visible.

As this overview suggests, the management mandate of school directors in a centralized system is very limited, and in spite of its dramatic increase as a result of decentralization, it hardly measures up to the new and fast-growing responsibilities of directors. The main impact of the growth of management duties parallel to the strengthening of organizational autonomy of schools is the demand for greater internal support. Therefore, in most decentralized systems school management is no longer a lonely job; most school directors—beyond a certain school size—have assistant directors with a well-established division of labor among the members of the senior management, have financial assistance directors in charge of financial and facility management, and strive to delegate certain tasks to teachers or to groups of teachers.

Decentralization creates a situation that can be described as limited management authority mixed with large responsibilities. As a result, the gap is bridged by “leadership,” for example, the charismatic pull of the personality of the school director. Thus, personality, that is, personal abilities, leadership style, professional capacities, and the experience of school directors, remain very important in decentralized systems, too. However, this importance is not justified by the ambiguity of their role anymore, but because they remain the focal points of school management. In fact, the stronger the organizational management authorities of the director, the stronger the role they may play in determining the strategic alignment of the work of the schools, even if strategic decisions are made by the owners of the schools or by teachers as the embodiment of professional autonomy of the schools. The distinction—created by greater school autonomy between the narrow management authority of directors and their role in giving direction to the work of the others who are also involved in the management—is in fact identical to the distinction between *management* and *leadership*. There is a visible shift in the international literature and national policies from a narrow management approach to a much broader leadership approach that reflects the growing complexity of school management.

Contemporary capacity building programs partly reflect the increasing scope of management authorities. For example, one of the largest Hungarian training organizations that offers in-service capacity building for school directors updated the structure of its training program according to the latest challenges facing directors in a decentralized system. The new training modules, developed in a Dutch-Hungarian joint program, were the following: educational policy analysis and planning, school development, financing of education, evaluation and quality management, service delivery and facility management, and managing human and social development. However, there is a growing demand for very personalized services, too that have been available to managers in the business sector for a long time, such as coaching.

CONCLUSIONS

Schools as Learning Organizations

Organizational Learning in Schools

What was discussed in the second part of this text is in fact about a snowball effect: the reconsideration of the very basic conceptual foundations of education results in the reconsideration of its all practical aspects. An attempt was made to demonstrate that rather conceptual alignments such as the learning outcomes approach to education or the whole-school approach to educational service delivery have concrete and tangible implications to the way teachers teach and schools operate. Also, the dynamic connection between the paradigm shift and decentralization was revealed; decentralization is partially justified by the implications of the paradigm shift, but also decentralization is the condition of the realignment of educational services according to the new paradigm.

If we try to grasp the essence of the ongoing changes in education, we end up requiring *educational service provider institutions that are learning for the sake of improving students' learning* through reflection, enrichment, and action.

- *Reflection.* The importance of hard evidence for the improvement of the work of schools has been emphasized by many people many times. However, we cannot take for granted that hard evidence carries any automatic meaning; the meaning that is attached to information is always ambiguous. Therefore, acquiring information in any systematic way is equally as important as the individual and collective interpretation of the information, as well as drawing the conclusions from the interpretation of the independent work of individual teachers and schools themselves.
- *Enrichment.* Although it might not be obvious for those whose main concern is how to make teaching as structured as possible, the fact is that learning is messy. Therefore, what is important is not necessarily the extent to which learning in schools is organized, but rather the extent to which it is intensive and rich. Individual learning, being genuinely social, occurs in a school through interactions. The enrichment of organizational learning in a school means intensifying interactions among the individual members of the staff, as well as enriching the content of interactions.
- *Action.* Learning in an organization should not encourage mere contemplation; it should be purposeful. What makes learning purposeful is follow-up action, that is, the practical application of acquired knowledge. It is the point where the extent to which things are managed and organized comes into play: it is essential to establish

those procedures that turn the results of messy learning into systematic action. Learning in schools as organizations should serve three major purposes:

- *It should promote individual learning in organizational context.* As we saw earlier, contemporary expectations towards teachers' learning are tremendous. When we looked at the conditions of effective learning of teachers, all of them referred to the organizational context that their own schools can create. Schools should provide a learning-friendly environment not only to their students, but also to their teachers. As we also saw, the recent patterns of the operation of schools in most of the cases are far from being learning-friendly.
- *Schools should accumulate collective knowledge, too.* They should do so in various teams (for example, in a group of teachers of the same subjects) and also across the entire school (such as accumulating and sharing good assessment practices). In fact, to build a school with a shared vision, shared principles, shared norms, and shared know-how is to operate a school with shared knowledge.
- *Learning should aim to connect external expectations and results.* A widely-cited definition of learning organizations is "an organization and individuals within it with the capacity to create results that matter."¹⁹ What matters in a school is that students learn. Therefore, learning, being in interaction with the environment of the schools (e.g., interpreting external expectations), should be aimed at improving students' learning.

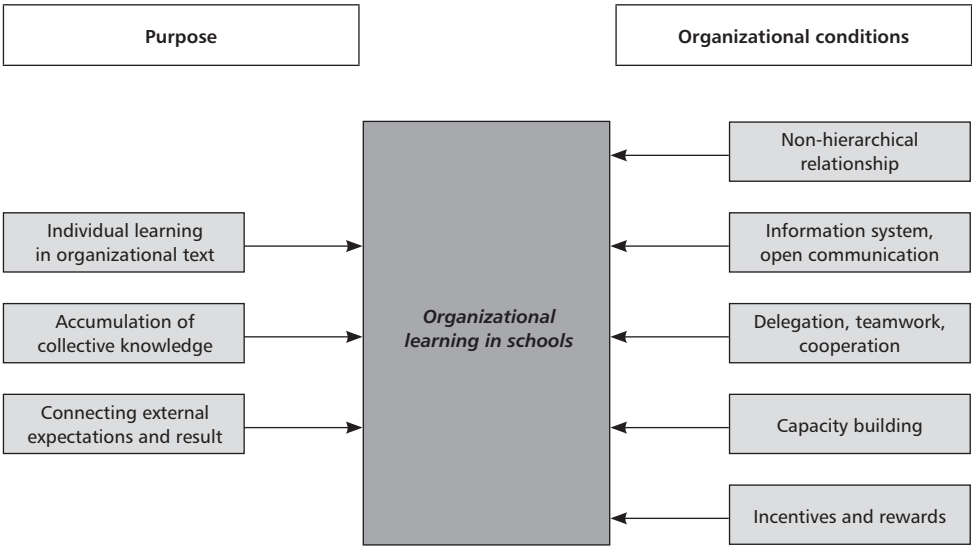
There are certain organizational characteristics that are conditions for achieving these three goals of organized learning. They are the following:

- *Non-hierarchical relationships.* Schools are typically *per se* non-hierarchical organizations. However, they are not very hierarchical because they are not really organizations. If the organizational dimension of schools starts to grow, it is very likely that it will result in hierarchical arrangements in order to break through the typically individualistic attitude of teachers. Decentralization within the organizational architecture of schools might be instrumental in avoiding this trap.
- *Information system and open communication.* In this respect, the question is not only the accumulation of information; it also concerns its preservation and documentation, making the information available to all, and the use of information in open communication in such a way that weakens information monopolies.
- *Delegation, teamwork, and cooperation.* The emerging organizational dimension of the work of schools that have no internal functional departmental divisions

may result in placing additional burden on the shoulders of individual teachers. Therefore, all *ad-hoc* assignments and permanent tasks are better delegated to teams of teachers.

- *Capacity building.* By comparison to many other professions, education has the advantage of having a large scale, established in-service training system in place. In this respect, the question is the extent to which mandatory capacity building serves all of the three purposes of organizational learning. As was mentioned earlier, in many schools, it is part of the realm of teacher monopolies and not the instrument of a school-based human resource management regime.
- *Incentives and rewards.* Of course, incentives and rewards are very instrumental in generating the additional effort that learning requires. However, from the point of view of organizational learning, not just any kind of learning should be incited and rewarded; it should be learning that serves the actual goals of the school as a whole.

Figure C.2.1
Organizational Learning in Schools



In order to avoid a possible misunderstanding, it should be noted that all these major purposes for organizational learning and all of the above conditions are not simply designed to describe the characteristics of a “good practice” or to lay down the foundations of an educational reform movement. Education, being a public service

funded by taxpayer money, and all these features of organizational learning should be transformed into core governance expectations because they constitute that set of service characteristics that allow other public services to meet legitimate external expectations. In addition, these expectations must be realistic, although the number of schools that meet all of these requirements is relatively small. Wherever we go, the instruments to be applied are rather simple and user-friendly.

Systems in Schools Promoting Organizational Learning

After referring to “simple and user-friendly” instruments to be deployed to schools, it would not be fair leaving them out of focus. The next question is: what are the organizational instruments widely applied in schools that are design to create that critical mass of organizational changes that move the whole construct of schools closer to the above pattern of organizational learning? The answer is a summary of various school systems and instruments applied to establish those features. The four organizational conditions to be established in schools are the following:

- Professionalization of school directors
- Professionalization of teachers
- Alignment of the school program (curriculum) to the needs of the students
- Operating a regular quality management mechanism.

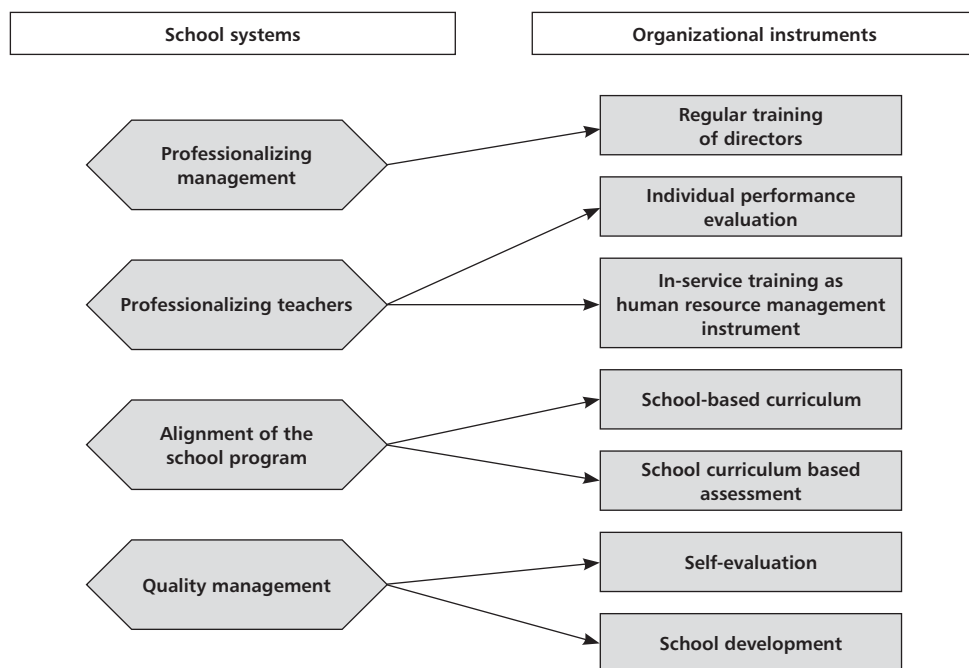
The meaning of professionalism needs to be explained here. Its only meaning that is widely used in relation to education is the mastery of knowledge and skills that are required in order to be a “good school director” or “good teacher.” However, this narrow understanding of professionalism nicely coexists with the traditional “missionary ethos” of the teaching profession: teachers are victims who sacrifice their well-being for the sake of our children. It reminds us that professionalism has an equally important additional layer: accountability. That is precisely what the traditional ethos excludes, and holding teachers accountable for their work (as would be completely normal in any other organization) is still considered to be impolite. But holding individual teachers accountable for their work is not a government concern: it is the school that should operate an internal professional accountability system. The case of directors is slightly different. Although the same concept of professionalism should apply, holding directors accountable is not an internal school matter. Schools should be held accountable by those who sign their contracts. The only aspect of the “professionalization” of school management that is related to the schools is capacity building: partly because it also refers to the assistants and internal support staff of the directors, and partly because it

is the school that draws on the various types of services (training, counseling, coaching, consulting, etc.) that serve the professional development of the directors.

In order to avoid unnecessary repetition, the school curriculum was mentioned only in relation to the characteristics of effective schools in Part Two. (School curriculum is part of the overall “content regulation” system that will be discussed in Chapter 11.) However, determining concrete educational goals for the schools and regulating the processes by the schools themselves is one of the basic tasks of schools in a decentralized education system.

In order to establish these organizational systems in schools, there are seven key instruments to be deployed to educational institutions as mandatory tasks: (i) capacity building for directors, (ii) individual performance evaluation for teachers, (iii) capacity building for teachers, partly on the basis of organizational needs, and partly on the basis of the findings of performance evaluation, (iv) development and application of school-based curriculum, (v) internal assessment at the level of schools on the basis of school curriculum (i.e., determining the common principles of in-classroom pedagogical assessment and testing), (vi) self-evaluation, and (vii) school development on the basis of the findings of self-evaluation.

Figure C.2.2
Major School Systems and Their Key Instruments



The above key instruments are not identical to the entire toolkits of the organizational systems that they serve. They represent focal points that, if implemented, will (almost) automatically result in the reconsideration of the whole construct of the organizational system they refer to. For example, introducing annual individual performance evaluation as a management instrument has a major impact on all other components of the human resource management regimes of schools. Also, introducing a school curriculum—in theory—may have a major impact on how the “core businesses” of the schools are performed.

Of course, all of these instruments cannot be introduced overnight in schools that do not apply any of them, as is the case in the schools of most South Eastern European countries. Their implementation is a long and gradual process strongly connected to the reform of the functional governance instruments that will be discussed in Part Three.

The Absorption Capacity of Schools

Another aspect relevant to the governance and management of organizational learning is what we may call the *absorption capacity* of schools. Recall that the instruments composing the systemic environment of educational service delivery institutions set the goals for educational services and deploy various resources (financial and human resources, services that schools consume, instruments used in teaching and learning, information, etc.) to the schools. In a governance perspective, one of the most important questions is: how effectively are the schools using these inputs? The absorption capacity can be explained by a very simple example: if 100,000 Serbian dinars are granted to a high-quality “elite” school in downtown Belgrade, most likely the school will be able to use the money for developments that actually contribute to the improvement of the learning of its students. If the same amount of money were to be granted to a small, poorly-equipped, and poorly-performing school located in a small village of a remote mountainous area, most likely, the money would be used for the proper purposes, but with very little impact on learning.

Increasing the absorption capacity of schools, that is, enabling them to purposefully and effectively use their inputs and produce educational results in line with the expectations set for them from outside, is not really different from the organizational requirements of becoming a school with organizational learning. Generally speaking, there are four components of the absorption capacity of the schools, and all of them are mentioned in relation to organizational learning: (i) the capacity of the staff to change, (ii) the willingness of the staff to change, (iii) the quality and maturity of organizational processes in the school, and (iv) professional, legal, and financial accountability. The question of instruments that have the potential to increase the absorption capacity of the schools already leads us to the discussion on the decentralization of functional governance instruments.

SUMMARY

Summary of the Key Points of Part Two

Partly due to the ongoing paradigm shift in education and partly because of the impact of decentralization, all aspects of educational services are changing. The key points of the chapters in Part Two in relation to the changing characteristics of educational services delivery are the following:

- ▶ During the last two decades, there was an emphatic shift from intrinsic aims of education to the instrumental ones. As a result, goals for educational services are increasingly considered on the basis of external economic and social references.
- ▶ Although the weight of educational outcomes in terms of participation-related data is decreasing, they are still very much relevant in South Eastern Europe. The prevailing educational policy paradigm (lifelong learning) is based on a systemic approach to learning, reconsiders the relationship between the supply and demand sides of education with a strong focus on learning, puts a great emphasis on autonomous and motivated learning, and reconsiders the goals of education accordingly.
- ▶ Due to the reconsideration of relevant knowledge in education, contemporary goals for educational services are set in terms of competencies (i.e., knowledge, skills, and attitudes). The learning outcomes approach to education assigns a determining weight on the development of basic and key competencies within educational outcomes.
- ▶ The learning outcomes approach leads to the reconsideration of basic requirements towards educational services, such as effectiveness, quality, equity, and cost-effectiveness.
- ▶ The enrichment of our knowledge about effective learning and the essential role that non-formal and informal learning plays has resulted in a reconsideration of the features of effective teaching. It has major implications for all major functions of teaching: to the teaching curriculum, the instruction methods, and the assessment of learning.
- ▶ As a result, approaching teaching as an isolated, self-contained activity became obsolete. Thus, our contemporary understanding of high-quality education is less and less teacher centered and is based on the whole-school approach.

- ▶ A narrow, formal organizational approach to the work of schools does not help us to grasp the major characteristics of the way in which they operate. In a broader sense, the organizational architecture of schools is very much determined by the features of their organizational culture.
- ▶ There is a remarkable gap between typical organizational patterns of schools and the characteristics of effective schools. The major instrument that has the potential to bring schools closer to educational effectiveness is school-based quality management. Quality management is a regular and cyclical self-evaluation based school development process.
- ▶ Due to the increasing expectations of schools, expectations of school directors are increasing dramatically, as well. The context, within which school management functions and leadership is exercised, is determined by the characteristics of school management frameworks.
- ▶ The essence of the ongoing changes in education is the growing expectation that education service provider institutions are learning for the sake of improving students' learning. Organizational learning entails three key elements: reflection (the individual and collective interpretation of information), enrichment (intensifying interactions among members of the school staff in order to make their learning richer), and action (deliberate follow-up action that makes learning purposeful in the organization).
- ▶ Organizational learning in schools should serve three major purposes: (i) it should promote individual learning in organizational context, (ii) it should accumulate collective knowledge, and (iii) it should connect external expectations with results.
- ▶ The characteristics of a school that make organizational learning possible are: (i) non-hierarchical relationships, (ii) information systems and open communication, (iii) delegation, teamwork, and cooperation, (iv) capacity building, and (v) incentives and rewards.
- ▶ There are four systems that are essential for promoting organizational learning in schools; these are the professionalization of school management, the professionalization of teachers, the alignment of school programs, and quality management.
- ▶ Promoting organizational learning is the condition of improving the capacity of schools to utilize all sorts of resources effectively (financial and human resources, services, instruments, information, etc.). The absorption capacity of schools includes: (i) the capacity of the staff to change, (ii) the willingness of the staff to change, (iii) the quality and maturity of organizational processes in the school, and (iv) professional, legal, and financial accountability.

PART THREE

The Five Strands of Decentralization in Education

CHAPTER 9

Decentralized Management: The General Framework

9.1 The General Framework for Decentralized Management

The “critical path” of the decentralization of the systemic environment of schools is the public administration system. Decentralization of the management of education creates the institutional framework for the decentralization of other functional governance instruments and marks out the space within which all other systemic changes can be considered. At the same time, any changes in curriculum, financing, or quality evaluation automatically generate changes in the machinery of public administration.

Local Accountability Relationships

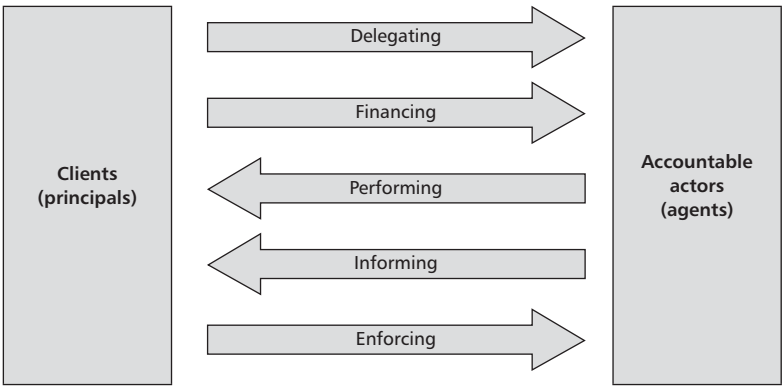
When outlining the framework for educational management, that is, part of the overall public administration system, the point of departure in decentralized systems is the fact that *primary and secondary education are locally provided public services*. The basis for local service provision frameworks is the map of accountability relationships (World Development Report 2004).

In general, accountability is a specific relationship between the client, who holds somebody else accountable (*principal*), and another actor who is held accountable by the client (*agent*). The principal-agent relationship is based on accountability if it contains five components:

1. The principal delegates a task to the agent;
2. The principal remunerates the fulfillment of the task;
3. The agent performs the task;
4. The agent provides information about the performance;
5. There are enforcement instruments at the disposal of the principal if the agent does not perform at the required quality or does not perform at all.

A relationship should have all of these components if it is based on accountability. No doubt, the “ideal type” of accountability relationship is the market relationship between consumer and service provider. However, the same simple requirements should be applied in the relationships between institutions participating in the provision of public services and individuals, who are the clients of the services.

Figure 9.1
The Content of Accountability Relationships²⁰

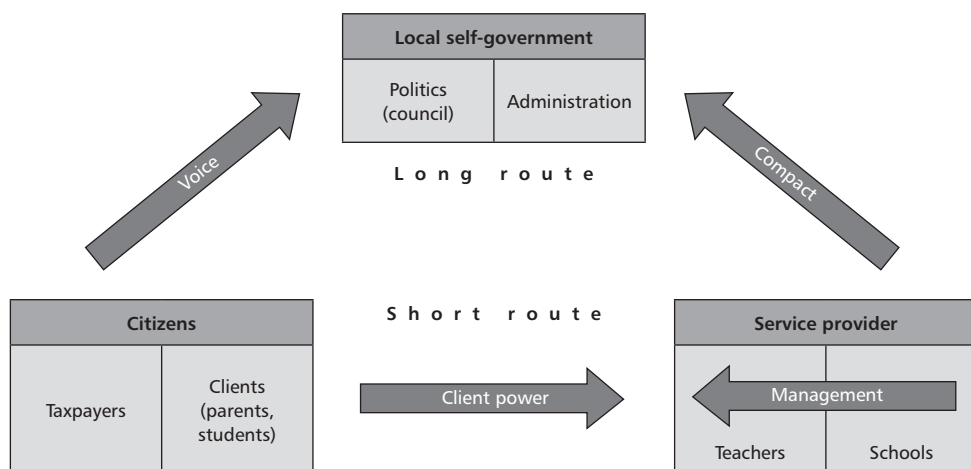


The essence of accountability being that it is a relationship, the actors in local public service provisions should be mapped out. We have three major groups of actors: the state, in this case—with some simplification that can be fine-tuned later—*local self-governments*; the *service provider institutions*, in our case the schools; and the citizens who consume the service, that is, the *clients of the service*, in our case parents and students. These groups are engaging in internal accountability relationships themselves; such as the relationship between the council and the administration of local self-governments and that between the schools and their frontline professionals (teachers).

Ensuring accountability among the chain of actors in relation to local public services has a direct path, the *short route of accountability* between the clients and the service providers, as well as an indirect path, the *long route of accountability* between the citizens and the local self-governments, on the one hand, and between the local self-governments and the service provider institutions, on the other. Thus, from the point of view of governance of education, we have four relevant accountability relationships: (i) the short route (i.e., between clients and schools that is based on the *power of clients*, (ii) the relationship between citizens and local self-governments (*voice*), (iii) the relationship between self-governments (the owners of the schools) and schools (*compact*), and (iv) the relationship between schools and their frontline professionals: teachers

(*management*). For the sake of a wider public administration analysis, addressing the problems related to the local political aggregation of the interests of clients in order to channel them into the “voice” of citizens and the accountability relationship between local politicians and the administration of the self-government would be important. However, they are less relevant for the theme here, so we are going to focus mainly on the four accountability relationships above.

Figure 9.2
Local Service Provisions: The Short and Long Routes of Accountability²¹



The short route of accountability is the relationship between the parents and the schools. There are certain public services with relationships between service providers and clients within which all necessary conditions of accountability can be ensured relatively easily. For example, one is waste management: the interactions between the service providers and the clients tend to be infrequent, and the client can easily judge the quality of the service; the garbage is gathered on time, or not. The situation with high added-value services requiring higher professional qualifications and that are much less standardized (so-called *discretionary services*, such as teaching or healthcare) is very different. Teachers and doctors make a large number of decisions on a daily basis that—due to the lack of sufficient information and knowledge—parents, students, and patients cannot judge easily. (We cannot even be sure, should the symptoms pass, whether this is a sign of regained health or the result of a doctor’s treatment.) As a result, the client is unable to determine the content of the work of doctors or teachers and cannot assess the success or failure of that work. Therefore, in the case of discretionary services, we have unequally informed actors in a relationship within which the requirement of

enforcement cannot be exercised. The relationship between parents and teachers is an unequal power relationship.

The long route of accountability is the political relationship between the citizens and the self-governments. In this respect, the first question is: how are the specific interests of parents integrated into the general interests of citizens as taxpayers, and how does the aggregation and articulation of citizens' interests occur? In other words: how are citizens organized, and how much is their participation ensured? The other side of the questions in relation to voice is the openness and responsiveness of local self-governments in relation to local public services. Although this reading does not allow an in-depth discussion on these matters, it is important to emphasize that the long route of accountability is a chain, along which, if one link is weak or broken, accountability does not prevail.

The long route of accountability is the relationship between the local self-government and the service provider institution. The "compact" between the owners of the schools and the schools themselves is in fact a "contract" that determines the frameworks within which the service is provided. In very general terms, the question here is: who has how much of an influence on determining the content of the compact for the service provider institutions? Therefore, the most important question revolves around the actual weight of the central government and its deconcentrated agencies and that of the local self-governments, and the scope of the autonomy of schools within which schools can determine the content of the compact on their own. As in many other public services, there is not one single public actor in education that has exclusive authority in determining the compact for schools. This is the problem for *multiple principals*. However, in a decentralized system providing certain educational services is the task of self-governments; therefore, they are the owners of schools, and the primary accountability relationship is the one between self-governments and schools. The big question is the role of central governments. Too much central influence weakens or eliminates the local long route of accountability and the much needed autonomy of schools; therefore—as has already been illustrated in the first part of this text—central government agencies should learn how to influence the work of the schools in an indirect way by influencing the behavior of the clients and the self-governments.

The long route of accountability is the relationship between the service provider institutions and their frontline professionals. The clients of public services are interacting directly with professionals: doctors, social workers, librarians, technicians of the utility companies, and teachers. (Especially in education, where probably the only non-teaching person they encounter is the gatekeeper at the school.) However, when they act in their best interests, they get in touch with the school as an organization (just like when we talk to the manager in a restaurant if we have a complaint about the behavior of the wait staff). Parents are in a relationship with the entire school; in the great majority of cases we do not even choose the teachers who are teaching our children. In the same way, as emphasized in the previous chapters, the target of governance is the whole school, not

the individual teacher. Therefore, the relationship between the local or national agencies of the state is also indirect; it is conveyed by the management of the schools. (Four out of five areas of the previously mentioned school-based human resource management systems are equivalent with the above components of accountability relationships. The fifth area, that is, capacity building, is not strongly connected to the problem of accountability.)

Shortcomings of the Long and Short Routes of Accountability

The short and the long routes are not mutually exclusive or alternative ways of ensuring accountability. Both routes are equally essential, especially because both have certain weaknesses. Mapping out the possible shortcomings is the basis that helps to understand contemporary public management changes that aim at overcoming the dysfunctionality caused by the weaknesses of accountability relationships.

As far as the *short route of accountability* is concerned, the perfect way to ensure the short route accountability is the market relationship determined by the opportunity of choice and the purchasing power of the consumer. The consumer buys services where his or her demand is satisfied and the service provider is strongly motivated to satisfy consumer needs. In addition, service providers on the market are working in an autonomous way and they can manage their human resources almost as they wish. However, for various reasons, most public services cannot be provided on the basis of market relationships. The most important reasons are the following:

- Market relationships are open only to consumer demand, and they do not take into account the needs of all citizens without purchasing power.
- They are not able to accomplish expectations based on collective goals.
- If choice prevails in public services, it leads to inequalities, such as selectivity in education.
- Market relationships work only if consumers have the necessary information; as we have seen, in discretionary services, this is not the case.
- As a result, the unbalanced power relationship almost completely eradicates the power of the clients.
- Public services are funded by public resources; therefore, the most important decisions are per definition political decisions or based on political authorization.
- Due to public financing, public service providers are much less motivated to satisfy the needs of the clients.

Bearing in mind all these weaknesses, while insisting that the primary goal of education as a public service is to respond to the needs of its clients, we should rely on the *long route of accountability*. Nevertheless, we should be aware that this accountability mechanism also supplies an endless list of possible failures.

The most typical problems in the relationship between the citizens and the self-governments (i.e., the failures of voice) are the following:

- The poor response capacity of the self-government, for example, insufficient resource allocation for the education of disadvantaged students;
- Closed decision-making procedures, for example, the inadequate involvement of stakeholders;
- Insufficient available information on the operation of the self-government and weak transparency that leads to a lack of trust;
- Weak self-organization of citizens;
- Clientelism and corruption.

The typical and potential constraints of ensuring accountability in the relationship between the self-government and the service provider institutions (i.e., the failures of the compact) are the following:

- The lack of clear mandate given to the service provider due to ambiguous expectations and goals, and a lack of service specifications and standards;
- Overregulation that—in terms of its impact—is identical to the lack of effective regulation;
- In contrast to waste management or water supply, in education the targets of the service are not numerical, and the service provision is not logistical;
- Lack or weakness of monitoring and control; in education, it means weak financial audit and legal control, weak external evaluation, and the lack of necessary professional capacities in local administration;
- Having multiple principals that leads to a lack of coherence within the compact; local and national goals may overwrite each other or weaken each other's impact due to ambiguous division of labor and contradictory expectations;
- Locally provided public services may not respond to real-life needs due to the lack of synergy within the local public service portfolio;
- Clientelism, corruption or service providers capturing local governance, such as a self-government council with members who are teachers of the local school.

Several chapters in this book have already dealt with the management of schools. Nevertheless, for the sake of completeness, here are a few possible failures of the accountability relationship between the schools and their frontline professionals, the teachers:

- Lack of clear objectives;
- Lack of appropriate human resource management authority of directors;
- Teachers—as in many cases doctors—are not accountable professionals;
- Lack of incentives;
- Lack of personal performance evaluation.

Although these lists of potential failures can be easily supplemented with new items, it must be already clear that both the long and short routes of ensuring accountability are full of potential dysfunctions. It would be not surprising if the Central or South Eastern European reader would find almost all of these typical in his or her country. However, we should be aware that these potential failures, to a large extent, are flowing from the very nature of traditional settings for local public service provisions, that is, they are not necessarily the specific features of certain countries. (Of course, there might be great differences in the extent to which the various failures prevail.)

The Alternative Solutions: New Public Management and New Public Service

The answer to the failures of the long route of accountability—and, in general, to the failure of traditional patterns of bureaucratic public administration—is *New Public Management* that focuses on strengthening the direct client-service provider relationship. As an answer to the failures of the short route, another school has emerged from the criticism of New Public Management: the *New Public Service* movement (OECD 2005; Denhardt and Denhardt 2001).

New Public Management (NPM)—that is, the almost prevailing approach to public management—is based on the assumption that strengthening “consumer” influence and expanding choice—that is, the stronger enforcement of individual interests—will solve the weaknesses of the long route of accountability. This school emerged from the crisis of the welfare state in the 1980s and incorporated various business mechanisms that were widely regarded as much more effective than the operation of public institutions. Since New Public Management preferred flat and autonomous organizations, it gave momentum to decentralization of public services. New Public Management brought various reforms both at the level of organizations by introducing instruments for greater efficiency, and at the macro-level by modifying the boundaries between public and

private sectors, by making tendering compulsory, by reducing public funding, and by deregulation.

New Public Service (NPS) was born in the early 1990s as a reaction to the increasingly influential NPM school. In contrast to the focus of New Public Management on individual interest, the New Public Service movement emphasizes collective interests. Therefore, instead of greater efficiency and effectiveness, it is striving to achieve a greater responsiveness from national and local government agencies. It distinguishes business techniques from business values; it is open to the former and rejects the latter. As a result, its instruments aim to empower citizens to participate in the management of public affairs by using the toolkit of the so-called “open government” model. Another set of instruments widely suggested by NPS promoters is quality evaluation (Denhardt and Denhardt 2001).

The typical instruments of New Public Management and New Public Service are summarized in Box 9.1. Both toolkits had a great impact on the work of contemporary governance and management systems.

Box 9.1
The Instruments of NPM and NPS

<i>New Public Management</i>	<i>New Public Service</i>
<ul style="list-style-type: none"> • Competition (privatization, contracting out) • Stimulating market relations (free choice of primary health providers and schools) • More demand-side financing (vouchers) • Managing by objectives • Market incentives (performance contracting, performance budgeting, performance-related pay) • Customer services • Strategic planning • Performance measurement • Deregulations, standards • Reducing and modernizing public employment 	<ul style="list-style-type: none"> • Building coalitions of public, private, and non-profit organizations to serve mutually agreed goals • Making national governments and local self-governments more responsive • Enabling citizens to participate in decision-making • Ensuring access to information for citizens • Easily accessible government services (user-friendly services) • Quality evaluation of public services (avoiding the negative side-effects of performance measurement based on roughly-defined proxies)

Quite obviously, the alignment and the value basis of the two movements are rather different. However, the instruments they offer in order to improve the long and short accountability routes—at a very general level—are not necessarily mutually exclusive. In addition to that, they intervene at different points of the accountability circle. We saw earlier that in the case of high-intensity discretionary public services (such as primary and secondary education), we cannot afford to rely only on the short or on the long route of ensuring accountability. Thus, regardless of our value judgments, we may consider drawing on both toolkits of instruments. Nevertheless, as will be discussed in the chapter on quality evaluation, there are a few concrete NPM and NPS instruments that are somewhat contradictory.

In relation to the South Eastern European context, three important warnings should be shared. First of all, from an educational point of view, the primary condition of experimenting with NPM or NPS types of reforms is to enable schools to respond to many of the “short route” or “long route” expectations. Therefore, *decentralization is the necessary precondition of local public service modernization of any kind*. The second contextual remark refers to the institutional and structural conditions for implementing any new types of instruments. The situation is very similar to that of former communist countries in Central Europe at the beginning of the 1990s, when a group of Western European experts made an inquiry about the possibilities of introducing some New Public Management reforms. Their final recommendation was not to even try until certain structural changes, such as strengthening financial accountability systems, overcoming fragmentation by better coordination, and improving policymaking capacities, were not achieved (Verheijen 1996). For example, if a high level of local clientelism and corruption are present locally, contracting out certain services is “life threatening.”

The third important feature that largely determines the contextual relevance of everything that was said about local accountability relationships is the large amount of municipalities in South Eastern European countries without effective community-level representation. For example, in terms of their average population size, municipalities are sixteen times larger in Serbia and ten times larger in Bulgaria than that of the Hungarian local self-governments. Although it does not make ensuring long route accountability impossible in itself, there is a much larger emphasis in the region on the power of the clients of locally provided public services. In addition to these, in the former Yugoslav countries—with the exception of Croatia—there is no elected middle-tier government (counties), further weakening the indirect chain of accountability.

9.2 National Governance and Local Accountability Relationships

Central and Local Responsibilities

By deploying the majority of management tasks to local actors (Chapter 4), decentralization changes the role of central governance agencies: the new primary role of ministries of education—together with other ministries with various education-related responsibilities—is strategic steering and policymaking. It was also suggested that this new role be performed mostly by indirect means for which certain systemic conditions are to be developed. In the previous sections we described the framework of local management of educational services as the triangle of different accountability relationships among autonomous actors. The next question is: how much does decentralization change the responsibility of central governments? In more concrete terms: how do central government agencies work through local actors in order to reach out to service delivery institutions without constraining autonomy and without reclaiming direct management authority?

Central governments are rarely inclined to take a backseat in an area of governance under their supervision. (This is the why decentralization should have a constitutional character.) Even the lower-level actors in the management of education often share the assumption that local accountability relationships can be substituted by direct, government-ensured accountability systems. However, since this was the everyday experience of teachers in Central Europe under communist regimes, direct central government operated systems are capable of providing only the illusion of accountability. In decentralized systems based on local accountability relationships, central governments are directly responsible for ensuring accountability only to the extent to which they determine the expectations towards educational service providers, that is, to which they determine the content of the “compact.” As a result, central governments should share responsibility for determining the compact for schools equally with the task of ensuring accountability. Central governments are no longer the only trustees of the common good in decentralized systems.

It is easier said, but much harder to translate this into the actual division of labor between ministries of education and school owners. To demonstrate this with a simplification: if school-based curricula (that are part of the compact for schools) are approved by a ministry or a deconcentrated agency of the ministry, central government is fully responsible for ensuring professional accountability. However, if school curricula are approved by local owners, they become responsible for professional accountability. In this case, even if external evaluation is still done by government-operated inspectorates, they are working *“on behalf” of the owners, and for the owners*. This has major implications for reporting and for any intervention in case of poor performance, etc. If the owners

approve school curricula that in 90 percent of the cases are determined by centrally issued national curricula, the compact is still largely determined by the government, with all its implications for accountability systems. The same ambiguity applies to all other components of the compact, such as financing or service provision standards.

The point here is the fact that sharing responsibility between governments and local self-governments is not a simple matter of authority distribution. *In decentralized systems, the increasing responsibility of local self-governments does not reduce the responsibility of the central government that follows from public financing.* However, if public money is deployed to local self-governments for education, it is the local-self government that should be held accountable for the service that it provides through its schools. (In addition, the overall systems designed to hold local self-governments accountable are not operated by ministries of education in most cases.)

Major Management Functions with a Systemic Character

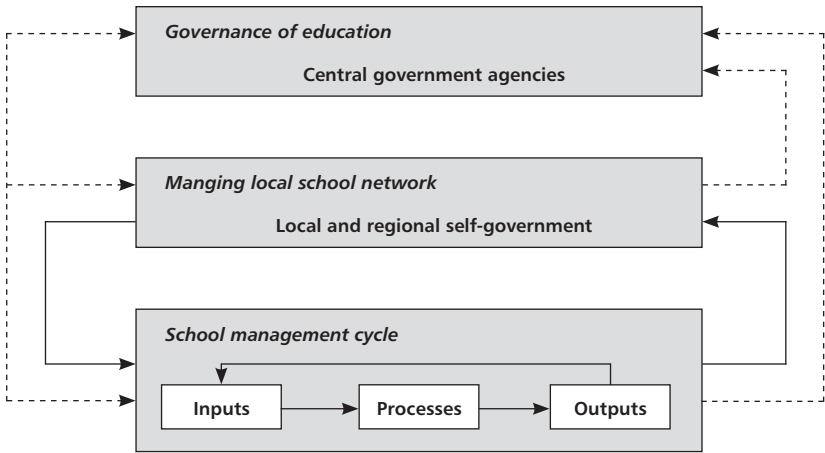
Decentralization deploys all management functions either to the schools or to self-governments, or to agents operating on behalf of the self-governments. The primary cycle of management is that within the schools; this is the management of all processes that transform all inputs into educational outcomes. Therefore—as discussed earlier—school management performs the primary functions. The scope of management functions performed by local and regional self-governments in connection with managing local school network is narrower; it performs only a limited number of functions. However, the scope of these functions varies from country to country. For example, there are countries (or self-governments within the countries) that take advantage of economies of scale by managing the school facilities directly. In other countries, or other self-governments within the same country, the schools do it themselves.

Governance at the national level creates and operates the systemic frame for performing management functions at the lower levels. *Directing*, that is, one of the five classic management functions, is a specific organization-connected activity. Directing the administration of a local self-government, a county pedagogical institute, or a regional inspectorate—apart from sometimes centrally set qualification requirements and selection procedures—has very little systemic relevance. However, all the other four classic management functions compose major subsystems that are subject to major changes in the course of decentralization.

The last function, *controlling*, has two major subsets that are typically separated in decentralized systems: financial audit and legal control on the one hand, and external quality evaluation on the other. While not denying the importance of financial audit and legal control, since the related institutional and procedural settings embedded into the overall public administration system, their detailed discussion would take us away

from the theme of this reading; in contrast, professional evaluation deserves a separate chapter (see Chapter 12). There are two other management functions with a strong systemic character that will be briefly discussed in this chapter: *planning* and “staffing,” that is, *human resource management* in education. Although at an organizational level, financial management is considered to be part of overall management, at the systemic level, it is a distinct functional governance instrument that also will be introduced in a separate chapter (see Chapter 10).

Figure 9.3
Governing Connected Management Cycles



National Governance and Local Contexts

The underlying logic of responsibility sharing with the primacy of local management cycles has widespread implications. In most cases, governors of education at the national level are reaching out to service providers by influencing or changing the behavior of other actors in local accountability relationships, such as local self-governments or parents, who may have a direct impact on how schools are operating. Likewise, there always will be instruments at the disposal of central government agencies by which they can directly attempt to influence the behavior of service providers, such as school directors or teachers. However, as local accountability relationships are evolving in the course of decentralization, the behavior of all local actors will be increasingly determined by the dynamics of these local relationships.

With this, we arrive at the most difficult aspect of governance in a decentralized system. Central governments are not simply working through local actors; they are working

through local “force fields” that determine the latitude within which individual actors can consider their goals. In other words, as a result of decentralization, the behavior of local actors becomes “*locally referenced*.” A frequent and frustrating experience for the staff of ministries of education in decentralized Central and Eastern Europe is the fact that local contexts regularly overwrite central initiatives. This is especially obvious in Hungary, where actors at all levels have been living together uncomfortably in a decentralized system for two decades, and where the results of the growing number of policy evaluations are reporting a large number of implementation failures. But even in centralized systems the experts of central government agencies are often well aware that measures going against the grain of widely-shared views, sentiments, and interests (for example, anti-discrimination measures) are easily sunk by local “implementation.” There are countries (e.g., most of Scandinavia) where the willingness of local actors to behave in accordance with central government expectations is high, and there are others where this is extremely low. Although this matter is connected to the problem of willingness to comply with the law, it is much broader and much harder to grasp. However, an analysis of the cultural and attitudinal context of governance and management is far beyond the scope of this book. Therefore, we should acknowledge the fact that the appropriate instruments for central governance cannot be designed without understanding how the dynamics of local relationships and interactions interfere in the “chain of command” of governance of education in a decentralized system. This is why opening the “black box” of extremely diverse local contexts through empirical research, as well as through policy and program evaluation, is essential.

If it is the locally constructed context that determines the latitude for the behavior of individual actors, central governance should adjust its instruments to the “compliance spirit” of local actors. Therefore, *in cases and in countries when and where central initiatives may meet resistance or low willingness to comply, or they clash with deep, vested interests, central governance should use the dominant and intelligent instruments* (Radó 2008).

Dominant governance instruments are those that have the potential to overwrite or change certain components of the local context within which actors are interpreting central initiatives from their own perspective. These are the instruments that, in terms of their impact, are strong enough to overrule the reasons for low “compliance spirit.” These instruments are often called “high stakes” instruments, such as combined school leaving and higher education entrance examinations that—because of the high stakes for students—impose a huge impact on teaching in general secondary education. However, even in countries with a low “compliance spirit”—in rare cases—low stakes and soft instruments can also be dominant; for example, persuading a critical mass of educationalists about something may increase their willingness to comply.

Intelligent governance instruments are those that are open and flexible enough to easily adjust to the local context and that are able to learn. These instruments serve their purpose by conforming and adjusting to the actual context, without attempting to overrule or

overwrite them. The best example for potentially intelligent governance instruments is the work of inspectors performing the external evaluation of schools. There are two features of inspection that may make it intelligent. The first is the underlying standards for inspection and the methodology that inspectors use that are open enough to incorporate contextual factors. It implies a high level of discretion and a high level of legitimacy. The other condition is the perpetual organizational accumulation of “whatever works” type of knowledge, that is, learning about what works in various contexts.

Although the lack of empirical research and policy evaluation does not allow us to judge the compliance of informal local networks in South Eastern Europe, a large amount of anecdotal information and personal observations suggest that the underlying concern for building dominant and intelligent instruments in these countries is no less valid in Slovakia or Hungary. For example, when a group of Bulgarian experts of various fields developed their mid-term priorities for education sector decentralization measures in 2008, they all agreed to focus on expanding the scope of school autonomy, because of the serious weaknesses in the long route of accountability relationships.

9.3 Opening Local Contexts: Consultation, Development, and Planning

The functional governance instruments that will be discussed in the following chapters of Part Three can be made dominant and intelligent to the necessary extent. However, beyond financing, curriculum, and quality evaluation, there are three other mechanisms that are the necessary conditions of effective governance at the national level: (i) the aggregation of local interests and channeling them into central decision-making through formal and informal *consultation systems*, (ii) targeting the schools and their owners with supplementary central *targeted development programs*, and (iii) building a *multilevel planning system* based on a combination of top-down and bottom-up planning. These are the instruments that have the potential to create a more organic relationship between governance at the national level and the extremely diverse local contexts, within which management functions are performed.

Consultation System at the National Level

Institutionalized stakeholder involvement was mentioned already in Chapter 4 in relation to the systemic conditions of effective fulfillment of the redefined role of ministries of education. The only aspect of such a consultation system that was discussed was their potential to make ministries of education the focal points of governance and policymaking. Apart from this “side-effect” of operating such mechanisms, their real purpose is

aggregating and channeling views, knowledge, and information into the decision-making process. It is important to emphasize here that the necessity of operating such systems does not simply flow from democratic values. Having consultation mechanisms in place is a fundamental matter of efficiency. Making central governance more responsive, more open to diverse views, more capable of harmonizing with sometimes contradictory interests, and more flexible in relation to the diversity of various local contexts are the *sine qua non* conditions of effective decision-making. Of course, many decisions are made “over a cup of coffee” in an informal setting. However, even informal deals should be formalized through formal consultation procedures in order to ensure their legitimacy.

The four major types of mandatory institutionalized consultation at the national level are: (i) *policy councils* consisting of the representatives of major organized stakeholder groups and ministries, (ii) *educational* (pedagogical) *advisory councils* consisting of individual experts, (iii) *tripartite consultation councils* consisting of teacher unions, employers, and the government representatives, and (iv) separate consultation councils for *vocational education and training*. These mechanisms serve different purposes and their functions are supplementary.

- *Policy consultation mechanism.* This consultative form is designed to create an open and institutionalized space for policy bargaining among the most important interest groups. In most cases, the scope of the consultative mechanism is not limited to only specific types of matters. The government’s obligation in relation to the matters to be put on the policy consultation agenda in advance of a decision is most typically determined in terms of administrative steps: putting forth proposals to the government or initiating any amendments to the regulations. The typical groups that participate in policy consultation mechanisms are umbrella organizations and cooperative associations of school-maintaining self-governments, nonpublic school owners, youth organizations, professional organizations, teacher associations, minorities, academic institutions, parent associations, business chambers, and the government (i.e., ministries supervising education-relevant areas). Although non-governmental organizations, as such, can hardly be regarded as distinct “stakeholder groups,” in South Eastern Europe they have a special reputation; therefore, they are invited to participate in such mechanisms.
- *Professional advisory councils.* Since ministries of education and governments issue several instruments in the form of regulations that need professional legitimization, professional advisory pedagogical councils have been established with strong mandates. Curricula, performance standards, textbook accreditation criteria, assessment frameworks, output regulation of initial teacher training, and policies addressing the content of education typically undergo discussion in these councils. The members of the advisory councils are invited by the education minister, delegated by professional organizations, or the two methods are combined.

- *Tripartite consultation mechanism.* Since teachers are public employees, the annual bargaining process for salaries or on any other employment-related issues takes place within the sectoral tripartite consultation mechanism. The participants in such mechanisms are the representatives of employers, that is, the self-governments maintaining the schools, the teachers' trade unions, and the government representatives in decentralized systems.
- *Councils for vocational training.* Vocational education and training ensuring the labor market relevance of education is essential. Therefore, in most cases, separate consultative bodies are established in order to involve employers (i.e., chambers of commerce and employer associations) in decision-making regarding vocational training. These councils are typically participating in determining the training profiles and curricular documents, examination and qualification requirements, etc.

The feature that makes institutionalized consultation mechanisms different from any other form of involvement (informal advisory or expert groups of ministers, task forces, etc.) is their mandatory character; therefore, these councils are established by law and have a legal status.

There are various settings that are based on the misperception of the role of such consultative bodies. For example, consultative councils are sometimes given strong decision-making authority, and they are sometimes entitled to take over the responsibilities of ministries or the government. In other cases the tripartite mechanism (Bulgaria), or professional advisory councils (Serbia), are used as the frameworks for policy consultation that—apart from making teachers' unions or the academic elite too influential—obviously weaken the positions of other stakeholder groups.

Planning in Education

We referred to the new role of central governance in decentralized systems as “*strategic steering*.” It is not that different from strategic management at the level of individual organizations: it means operating the cycles of strategic planning, operational planning and programming, implementation, and feedback. Therefore, strategic planning is not an exercise for its own sake; it is one instrument of the overall process of governance.

Disconnecting strategic planning from its owner, that is, from an organization that is able to make it operational, does not make any sense. But in centralized systems, it is not so obvious. Since central governance agencies are directly managing educational service providers (or at least think that they are managing the work of the providers), they are planning on their behalf, too. However, since ministries are not able to program all activities of all schools in detail, central planning in a centralized system occurs in a vacuum. This is why planning at the national level in all South Eastern European

countries has the tendency to create a virtual paper trail of cross-referenced documents. (For example, the strategic basis of the Action Plan for improving the education of Roma children in Serbia is a distillation of the related goals set by nine different government-approved strategies.) These strategic documents set broadly defined goals, very often for long periods of time that nobody can grasp (such as the “National plan for school and preschool education development 2006–2015” in Bulgaria), because “implementability” is not necessarily the concern of planners. Another feature of planning in the region is that strategies almost always mix up goals with instruments. This confusion is not necessarily caused (only) by the weakness of planning capacities, as many observers often interpret it; simply, in a centralized system in which instruments are not controlled by others, this distinction is often out of sight.

A recurring complaint in the region is that the strategies are not implemented. Indeed, they go unimplemented because they are not designed for implementation. Centralized systems do not allow for implementation, because those who are running the business are not planning, and those who are planning do not control the means of implementation. (This is a situation somewhere in between the detailed central planning of the communist “planned economies” and the decentralized systems in which all organizations are planning for themselves.) Actual planning in the region is an activity performed in a vacuum not only because planning is disconnected from the means of implementation, but planning is also an isolated activity not based on feedback from earlier implementation attempts. Again, this is not overly surprising given that only implementation generates demand for information on implementation.

All autonomous organizations plan in a decentralized system. However, even if decentralization makes visible the organization-bound character of planning, it takes time until the pattern of central planning adjusts to the dramatically changed systemic environment. In the 1990s in Central and Eastern Europe, the growing complexity of education systems became very obvious. However, for a period of time this made central development plans simply lengthier, but did not necessarily change the pattern of planning. (It was a period during which hundreds of white papers were written in the region.) For example, the pre-higher education development strategies of 1995 and 1998 in Hungary were extremely long documents deploying tasks to all actors in the education system. The first strategy of the Ministry of Education, which spoke only about what it intended to do, was only just issued in 2003.

Apart from planning by central government actors on their own behalf, what is important to ensure in the governance of education are two things: ensuring that clearly defined planning mandates are deployed to all organizations of the systems and that planning activities are well-connected. This means a multilevel system of planning that is based on the combination of top-down and bottom-up planning procedures. Planning in education serves two distinct purposes: (i) medium- or long-term *planning for development* and (ii) annual or medium-term *operational planning* (i.e., planning how the

ordinary tasks of an organization are performed). Of course, the two types are interconnected; in most cases operational planning also serves the design of the implementation of developmental planning, if implementation is partly or fully embedded into the normal operation of the organization and not done through separate projects. (A sample list of possible planning tasks performed at different levels is offered in Box 9.2.)

Box 9.2
Multilevel Planning System in Education

Level	Operational planning	Planning for development
National	<ul style="list-style-type: none">• Annual budgetary planning• Annual planning of the school year (examinations, evaluation, centrally administered assessments, etc.)	<ul style="list-style-type: none">• Thematic government strategies (LLL, social inclusion, etc.)• Sectoral development strategies• Subsectoral development strategies (e.g., vocational education development strategy)• Subsectoral thematic strategies (e.g., special needs inclusion strategy)• Strategies of large-scale development programs
Regional		<ul style="list-style-type: none">• Territorial development (NUTS 2)• School network planning (NUTS 2 or 3)
Local	<ul style="list-style-type: none">• Annual operational planning• Mid-term operational planning (quality management planning)	<ul style="list-style-type: none">• Mid-term thematic planning (e.g., equal opportunity plans)
School	<ul style="list-style-type: none">• Annual operational planning• Mid-term operational quality mangement program• Pedagogical program or school curriculum	<ul style="list-style-type: none">• School development plan (if not included in quality management program)

The purpose of strategic planning in education is not different from planning in business organizations or in NGOs: choosing between alternative directions of development and change, focusing the efforts by setting priorities, defining the organization, and bringing consistency to diverse courses of action. Planning is a disciplined effort that shapes and guides the organization.

However, planning in public sectors has certain specific advantages and limits. The most important advantages of planning in public services are the following:

- It reduces the conflicts of the various players. Of course, this potential of planning is prevailing only if planning is a participatory process.
- In public services the number of potential goals to be pursued is substantial. Therefore, planning that helps to select among goals is essential.
- The results of planning provide a good basis for control and evaluation. For example, a potential area for external evaluation is the implementation of the goals of the development plans of the schools.
- Since strategies are also communication tools, in a decentralized system in which persuading lower-level actors is one of the most important governance instruments, planning is a much needed exercise.

The major limitations of strategic planning in public services by comparison to planning in business organizations are the following:

- There are too many actors, and their authority is very often ambiguous.
- The processes in the public sphere are not transparent enough.
- Certain decisions in public services being per definition political, and due to the large number of actors, there are too many compromises that dilute the products of strategic planning.
- By comparison to the complexity of the system, there is always a very limited time available for planning, which rarely allows for achieving the goals.
- The timeframes for planning are very often artificial; they adjust to administrative or political timeframes.

The quality of planning largely depends on the maturity of the basic “infrastructure” of planning: organizational settings, capacities, and information systems. There are countries in the South Eastern Europe where strategic planning at the national level is institutionalized. (For example, in Serbia, in theory, planning is the basic tasks of one of the background institutions of the Ministry of Education.) In other countries planning is basically managed by the staff of the ministry with sporadic involvement of external experts, as in Bulgaria. Institutionalization is a very important condition of the professionalization of planning. However, due to the above characteristics of strategic planning in the region (i.e., planning in a vacuum), institutionalization improves the quality and effectiveness of planning only to a limited extent.

Box 9.3
 Recommended Aspects for Hungarian
 Local Self-governments on the Future of Small Schools

- Population trends: migration, social, educational, and age composition of the population, current demographics, and projections.
- Spatial characteristics of the settlement network of the region, the mass transportation infrastructure.
- The expected number of school-age population in the upcoming six years.
- Parents' satisfaction with the work of the school and with the performance of the self-government maintaining the school.
- Parents' expectations of educational services.
- Village inhabitants' expectations of the school.
- The opinion of parents who have enrolled their children in a school in another settlement about the quality of education provided locally and about the reasons for their decision.
- Employment in the village and the surrounding microregion and the reconnected opportunities and risks, development plans, and development opportunities.
- The effectiveness of the work of the school, the educational goals of the school and their fulfillment, the results of external evaluation.
- The supply of qualified teachers, expected opportunities and risks in relation to teacher supply, extra allowances provided to teachers.
- The quality of the equipment in the school on the basis of related standards, the condition of the school building, expected mid-term capital expenditure.
- The community services provided by the schools or expected to be provided in the future.
- The impact of various alternatives to local educational services on quality, effectiveness, costs, and the burden on parents and children, the risks of alternatives. When considering alternative service providers, their external evaluation results and information on their effectiveness should also be considered.
- The projection of all incomes and expenditures of the self-government.

—OPEK 2006

At lower levels of management planning, the related mandates tend to be poorly set and defined in all of the region's countries. Although there were various capacity building types of investments funded by international donor organizations with strong

components aiming at developing the planning competencies of the staff of regional and local administrations, training somebody who is not skilled is definitely an investment with poor results. The planning mandates deployed to local self-governments are sometimes quite meaningless. For example, in Croatia, a mandatory three-year budgetary planning task is deployed to all relevant levels of financing. However, the actual system of allocation allows only for planning based on the previous year among perpetually changing parameters that make medium-term planning needless.

Many experts claim that the lack of information (i.e., the extremely poor information production capacity of education systems) has an overly detrimental impact on the quality of planning, and they are correct. However, the relationship between planning and information systems is, rather, the opposite. The primary users of information in the governance and management of education are those who are planning. As a result, information systems should be designed and operated in a way that well serves planning at any level for any purpose. For example, an indicator system that provides the skeleton of an education management information system (EMIS) cannot be properly designed without mapping out the information needs of the planning duties of management actors at each level. (This is probably why the efforts of World Bank funded programs aimed at developing education information systems in various countries of the region are widely considered to be investments with extremely limited success.) As will be discussed later in relation to the information feedback mechanism of quality evaluation systems, how information is collected should depend on the actual use of the information.

Targeted Development Programs

Central development programs reach out to schools directly and have the potential to generate change and interest in that change along central priorities. Therefore, in decentralized systems, where the direct impact on the operation of central government agencies is limited, development becomes one of the most important instruments.

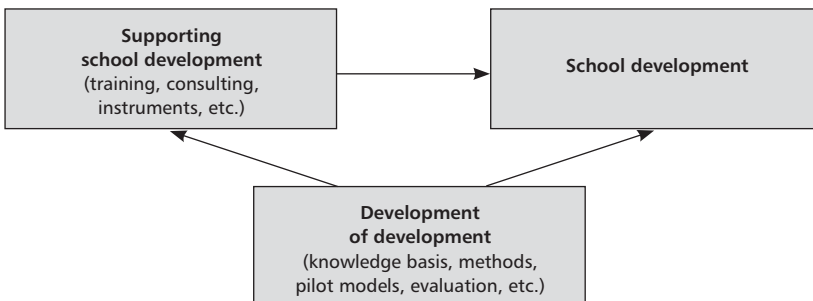
Due to the growing functional differentiation and scale of the “development industry,” the meaning of development becomes increasingly ambiguous. It is important to bear in mind that it includes three different components:

- *School development.* The heart and the focus of development systems is the institutionalized development done by the staff of schools within schools. School-based development projects as such have their beginning and their end; in most cases, they start when the schools gain access to the resources deployed to them after the selection of their project proposals and end when the time limit for the use of the allocated funds expires, and the schools should report about their project. From the point of view of the schools, these timeframes

are too often artificial, have nothing to do with the timeframe of their internal development processes, and sometimes they do not even correspond with the beginning and end of the school year. In terms of development goals, they are driven by the agenda of the grant-giving program; therefore, it is difficult to harmonize them with the developmental goals of the schools. Nevertheless, no school can be developed from the outside; effective development requires the operation of the “engine” of self-evaluation-based school development.

- *Supporting school development.* Schools require a great deal of external technical assistance to design and implement their development programs. As a highly knowledge-intensive activity, development’s external support requires specialists who have the knowledge and experience to work with schools. As a normal activity of schools even when extra resources are unavailable, school development, in theory, must be supported by an institutionalized professional service system. However, in many cases large-scale programs develop their own (temporary) networks of experts that cause great damage to the ordinary support system. (These problems will be further discussed in Chapter 13.)
- *Development of development.* When the great majority of schools are doing some sort of development and when they are supported by an extended network of institutions and specialists, development addressing the needs of the developers themselves becomes a distinct function. The development of the necessary know-how by piloting experimental programs and by developing instruments for development (modular training programs, training of trainers and consultants, guidelines and technical toolkits, program evaluation, the adaptation of imported know-how, and active knowledge management) is essential and the condition of the professionalization of developers.

Figure 9.4
The “Development Industry” in Education



The evolution of the main patterns of central development increasingly connects the development industry to all levels and both strands of planning. The three main patterns of development—representing three levels of intensity of the support provided to schools—in decentralized systems are the following:

- *Grant-giving schemes.* For the sake of easy technical management, most programs are simple grant-giving schemes in which the major objectives and eligibility criteria are determined, and schools apply for grants with their project proposals. The grantees are selected on the basis of formal criteria and on the quality of their project proposals. The problems with pure grant-giving systems are manifold; for example, the quality and effectiveness of the development completely depends on the actual absorption capacity of schools, and the local institutional context easily overwrites the original intentions. In addition to that, these projects are fully driven by the agenda of the central program; it creates a situation in which schools are proposing projects for which money is available, regardless of the institutional relevance of these objectives. Apart from planning at the level of schools, this pattern of development does not involve serious planning. The plans of the program are typically referenced to various central government strategies, but in most cases this is a mere formality. A special additional service often provided before launching grant-giving programs in order to increase the absorption capacity of potential grantees is the so-called *project generation facility*. This service offers technical assistance to nurturing project ideas and to the design of the project plans.
- *Proactive central programs.* Due to the weaknesses of pure grant-giving programs, several central government initiatives should be designed to be proactive. It either means a central staff providing active professional support (e.g., training, consulting, instruments, etc.), or the program connects the grantees with contracted professional service providers who facilitate the application of the know-how of the specific development. This development pattern incorporates the component that improves the absorption capacity of the school. Obviously, it increases the costs of development. This type of development requires much more central planning because of the management needs of the proactive components. At the level of schools, it does not make any real difference by comparison to participation in grant-giving programs.
- *Network-based central programs.* The intensity of organizational learning gained by participation in large-scale development programs can be dramatically increased if the schools are organized into development networks, within which horizontal learning is deliberately supported. In this case, certain active professional support activities are provided to the network and not to individual schools. Not only those individually selected schools are connected through a

development network; the most effective way is the involvement of local school networks owned by the same local self-governments. This pattern even allows for addressing local self-governments as the target of development: they put together the project plan partly on the basis of their own plans, partly on the basis of the plans of their schools invited into the program, and the program can be managed by the self-governments. The great advantage of this pattern is the strong connection between local and school level planning and development.

The large-scale development programs of the European Union's structural funds are a special case, because—regardless of the chosen type of development—access to these funds requires serious planning at the national and regional levels. EU-funded developments have given a large impulse to the development of planning competencies in all of the new member states.

CHAPTER 10

Governing Inputs: Fiscal Decentralization and Human Resource Management

10.1 The Costs of Educational Services

The Composition of Sources and Costs

The source of the money that is spent on education comes from either private or public sources. Private expenditure includes tuition fees and all other payments paid by families, businesses, and nonprofit organizations. Primary and secondary education is mainly funded by public resources. Education during compulsory schooling is free of charge everywhere in Europe, but that simply indicates a lack of tuition fees. There are various costs that are paid by the households: textbooks, transportation, meals, clothes, etc. Also, parents often pay for extracurricular activities or any extra services that schools provide. The share of private contributions also depends on the freedom of schools to engage in fundraising. There are countries where it is not allowed, while in others it is a definite expectation. Nevertheless, private contributions play a marginal role in financing primary and secondary education.

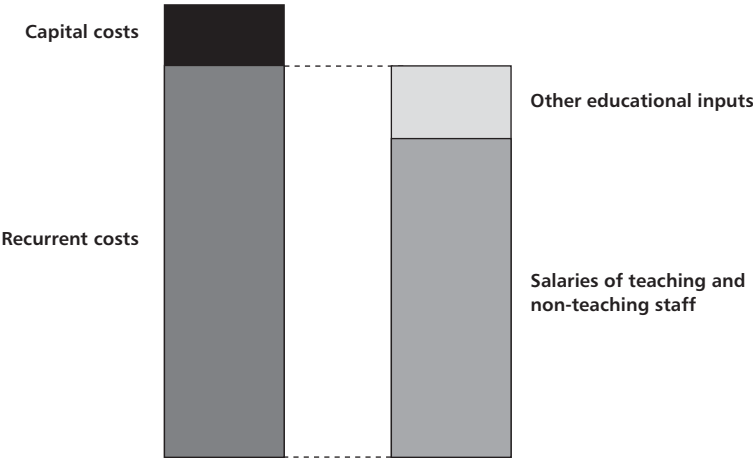
Apart from “formal” private contributions of the families, there are certain costs that are not channeled into the financing of school services. For example, the interests of Romanian teachers to find supplementary sources for income creates a situation in which teachers are creating a market for “shadow education” (Bischoff and Herczynski 2009). From the point of view of families, the costs of private tuition are educational costs, too. The distinction between private and public financing is not connected to the existence of private schools, because in the great majority of European countries private schools are also publicly subsidized. For example, in the Netherlands and Poland, there is no difference in the level of public funding between private and public schools. In other countries, such as in France, Portugal, and Hungary, private schools receive funds for all costs on equal terms, but not for capital investments. And finally, in Ireland or Austria, only the salary of the teaching staff is subsidized in private schools (European Commission 2005).

As far as the composition of the costs of education are concerned, they fall into two major categories: *recurrent costs* that are to be paid year by year and *capital investment*,

that is, costs related to building or renovation of the school facilities or the costs of valuable new equipment. Generally speaking, recurrent costs typically constitute about 90 percent of all educational costs. However, the share of capital investment fluctuates in all Central and South Eastern European countries because public financing systems do not recognize the amortization of buildings and equipment. Therefore, instead of spreading out capital costs across many subsequent years, they emerge again and again when the amortization reaches a certain level. For example, the share of capital investment in Albania has been between 10–20 percent over a long period of time, while the same figure in Macedonia is around three percent. Also, in many countries capital investment is the buffer of educational financing: in “good years” more, and in “hard years” less, is spent on capital.

Education is a “labor intensive” service that requires a much larger amount of human labor than capital. Therefore, the biggest part of recurrent costs is deployed to salaries and various benefits. The share of the compensation of teachers in most countries is more than 70 percent, and all salaries and benefits that also include non-teaching staff typically exceed 80 percent. The rest is called “other educational inputs,” mainly school maintenance costs and teaching materials not paid by parents. (In South Eastern European the share of compensation of teachers is higher, while that of maintenance costs is typically lower than the international pattern.) In the business sector, labor-intensive industries have the advantage of flexibility; they more easily adjust their capacities to the demand than those with a high share of required capital investments. However, this does not apply to education because of the huge number of state regulations: fixed salary scales, service provision standards, the protection of teachers as public employees, etc.

Figure 10.1
The Typical Composition of Costs in Education



Economists concerned with education distinguish between direct and indirect costs of education. Direct costs refer to the amount of money that is spent on the services from public or private resources. However, there are private and public costs that flow from the fact that students are learning instead of being active in the labor market. Thus, the private indirect costs are equal to the amount of money that was unearned; the public indirect costs are those tax incomes that are foregone while learning instead of working. Nevertheless, the relevance of this distinction is quite limited during the period of compulsory education.

The basic indicators of the composition of resources and costs are rather simple ones, but they are not easy to interpret. The only comparison that allows for the assessment of relatively high or low shares of different resources and costs is international. Therefore, the most widely-used threshold of high and low income shares or spending is the related average figure of the developed OECD or EU member countries. However, a comparison of absolute figures does not reflect the actual financing ability of different countries. Therefore, all major indicators calculated at purchasing power parity are worth comparing as a percent of per capita GDP. Another difficulty in the interpretation of financing-related indicators is that they result from three distinct factors that are very hard to separate: political priorities, the characteristics of the education systems, such as those determining the required number of teachers, and specific temporary factors, such as reconstruction costs caused by the deterioration of school buildings during a war. These political priorities are often indicated by expenditure shares within public funding, but this indicator does not allow any filtering of the effect of the two other factors. In addition to this, the income generation and redistribution capacity of the different countries may vary significantly

The Factors Determining Unit Costs in Education

When we calculate the cost of services or production of any kind, the primary indicator results from breaking down the cost to the basic single unit of the service; in the case of education this is the cost of the education for one student. *The “unit cost” of education is the per student recurrent costs.* Unit costs are comparable across different countries if they are calculated with purchasing parity prices. However, in order to adjust the comparison to the very different financing ability of the different countries, it is indicated by their relation to per capita GDP.

The actual level of per student spending is determined by three major factors: (i) the annual average *compensation of teachers* (basic salary and benefits), (ii) the *teaching requirements of the education of one class*, and (iii) the *per student cost of “other inputs.”*

- *The compensation of teachers.* To recap, the largest part of all the costs of education is the money paid for teachers’ salaries. Therefore, the most important

determinant of unit costs is the average annual compensation of teachers that includes their salary and the costs of all allowances that teachers receive. The same applies to the level of compensation in relation to what was said about the comparison of per capita funding: since the amount of salaries in absolute terms does not reflect the financing capacity of the different countries, the most widely-used indicator of the level of teachers' compensation is the comparison between their annual salary and the per capita GDP. For the sake of a rough outline: as professionals with a high level of required qualifications, if teachers' salaries generally are higher than the per capita GDP, then their compensation more or less reflects the financing capacity of the given country. The salaries of teachers corrected by the annual teaching hours are a good indicator of the efficiency of financing, but they do not influence the unit costs, because the compensation of teachers and the number of lessons they teach are not connected at all. Of course, lengthier school years have an impact on expenditure on other educational inputs (i.e., on maintenance costs), but this is a minor increment.

- *The labor intensity of education.* The other factor determining unit costs is the labor force requirement of the actual service provision. Obviously, the more teachers employed to deliver the service to students, the higher the costs of the service per student. However, the required number of teachers in education is not determined by the number of students, but by the number of classes. It is easy to see that the required number of teachers is not different in a classroom with 15 students and in another with 35. Therefore, when calculating the per capita costs, we do not divide the money spent on the salary of teachers with the number of students, but with the student-teacher ratio. The size of the classes has an impact on unit costs only in an indirect way: if a low average class size leads to a larger number of classes, it increases the labor intensity of the service, that is, it increases per student costs. This is the reason why the extent to which school structures are fragmented is essential from a financing point of view. The required number of teachers depends on various factors; some of them are centrally regulated, such as class size standards, teaching time, etc. The other decisive factor is curriculum; if the structure of subjects is fragmented (e.g., physics and chemistry are taught as separate subjects instead of science), the teaching requirements are higher. Also, if financing recognizes extra services, such as bilingual programs, zero preparatory years in primary education, or language preparatory years in secondary education, the required number of teachers is higher, too. The third factor influencing the labor intensity of educational services is the system of allocation. And as will be seen in the following section of this chapter, soft budget constraints increases expenditure.

- *Costs other than the salary of teachers.* Apart from the compensation of teachers, recurrent costs include various other components, such as the salary of non-teaching staff, maintenance costs (heating, electricity, cleaning, cafeteria, transportation, etc.), and teaching materials, if they are not paid by families. Although the amount of certain inputs in this category depend much more on the number of classes than the number of students, their contribution to the unit costs can be calculated by dividing them with the number of students.

Figure 10.2

The Calculation of the Unit Costs in Education

$$\text{Unit costs} = \frac{\text{Average compensation of teachers}}{\text{Student-teacher ratio}} + \text{Per student costs of other inputs}$$

Obviously, any change to teachers' salaries or the organization of schooling that determines the required number of teachers has a direct and significant impact on overall spending.

Financing Profiles in South Eastern Europe

The key indicators that compose the overall financing profile of a country are those that describe the level of overall spending and those that orient us in relation to the most important factors that shape the unit costs of education services: teacher salaries and the labor intensity of the service.

As far as overall spending is concerned, all the South Eastern European countries are spending approximately one to two percent less than the GDP proportional level of spending of developed countries. In terms of the student-teacher ratio, that is, the basic measure of the number of teachers who should be employed to deliver education services, there are much larger differences by comparison to the average labor intensity of OECD countries (i.e., 16.3 in primary and 13.9 in secondary education, respectively). For example, in Albania (18.8 and 21.9) and Serbia (17.2 and 15.6), these ratios are higher than the average of the OECD countries, that is, the labor intensity is lower. In Bulgaria (16.8 and 12.1), the student-teacher ratio is closer to the OECD average. However, lower student-teacher ratios indicate a higher labor intensity of pre-higher education in Croatia (12.8 and 12.2) and Romania (13.7 and 12.2).

In a GDP-connected comparison, the average level of the compensation of teachers is lower in most of the countries of the region than the averages of the more developed European countries. However, there are two countries that spend on teacher salaries far below their potential: Albania and Romania. The only country in the region in

which the GDP proportional salary of teachers is higher than the European average is Croatia; although in relative terms the level of compensation of teachers was declining during the last decade, in 2005 the teacher salaries divided by the per capita GDP was still 1.78. By comparison, this rate in 2004 was 0.83 in Albania and 0.71 in Romania. These are the countries where—according to various sources—the extremely low salary of teachers has a devastating impact on the quality of education.²²

On the basis of these data, an indicative profile of educational financing systems can be created for those countries for which data are available.

Table 10.1

Educational Financing Profiles of Selected South Eastern European Countries

Albania	<ul style="list-style-type: none"> • Significantly lower than average spending • Lower labor intensity • Significantly lower teacher salaries
Bulgaria	<ul style="list-style-type: none"> • Lower than average spending • Average labor intensity • Lower teacher salaries
Croatia	<ul style="list-style-type: none"> • Lower than average spending • Higher labor intensity • Higher teacher salaries
Romania	<ul style="list-style-type: none"> • Lower than average spending • Higher labor intensity • Significantly lower teacher salaries
Serbia	<ul style="list-style-type: none"> • Lower than average spending • Lower labor intensity • Lower teacher salaries

On the basis of these profiles, we may presume very different situations in the countries of the region. Although all of these countries are spending below their potential on education (i.e., their financing capacity), the underlying reasons are very different. For example, in Albania, there are no serious efficiency problems; the extremely low level of overall funding is caused by the extremely low level of teachers' salaries. In Bulgaria and Serbia, the overall picture is similar, with the very important difference of the extent: teacher salaries are relatively higher than in Albania; therefore, overall spending is higher, too. The difference between Bulgaria and Serbia is that efficiency is slightly better in Serbia than in most OECD countries. In Romania the price for teachers' substantial need to provide extra educational services is the very low salaries of teachers. This means, that beyond a certain point, improving the student–teacher ratio will be the only way to increase the salaries of teachers.

The financing profile of Croatia is a very special case: in spite of higher labor intensity and higher teacher salaries by international comparison, the country spends less than it potentially could. One of the possible explanations to this contradictory profile is the shortage of school capacities; a large proportion of students are taught in two shifts. This does not reduce the required number of teachers significantly, but does reduce all other costs.

10.2 The Financial Allocation Systems in Education

Fiscal decentralization, that is, decentralization of the financial allocation system has both a narrow and broader meaning. In the narrow sense, *it means the delegation or devolution of authorities in relation to planning, budgetary decisions, and financial administration to lower management levels*. In this case, we subtract the financial allocation mechanism from the overall system of public financing. Thus, *the broader meaning of fiscal decentralization also involves intergovernmental fiscal relations and revenue sharing among different actors with financing responsibility* that largely determines how resources are transferred within the educational line of public financing.

General Characteristics of Centralized and Decentralized Allocation Systems

The best way to grasp the essence of fiscal decentralization is a “where from—where to” approach: a short description of the underlying logic and major consequences of centralized and decentralized financial allocation systems.

The point of departure in relation to the financial allocation system is the extent to which processes in education are standardized. If centrally-issued curricula (syllabi) and other regulations create a high level of uniformity offering the same service for all, quite logically inputs are standardized, too. In highly-standardized systems the required number of teachers is predetermined and the teaching to non-teaching staff ratio is standardized. As a result, the actual number of employed school staff depends exclusively on the size of the schools. This is the situation that allows maintaining a *centralized financial allocation system*. In centralized systems the typical pattern of financial planning is based on adjustments to the previous year’s budget (“planning on a historical basis”) and capital investment, while maintenance costs behave as buffers.

The negative consequences of centralized financial allocation are manifold and impose a huge impact on all characteristics of education systems. The most important ones are the following:

- In these systems, schools are funded, and not the services they provide. In other words: service specifications (tasks) and financing are not at all connected. As a result, quality and effectiveness of the service that schools provide cannot be drawn into any form of accountability relationship.
- Since schools are financed, all specific educational-need student groups (e.g., minorities, special needs children, etc.) are sent to segregated schools, with the excuse that this is the only way to recognize the different costs of their education.
- In highly-centralized allocation systems, the basic requirements of efficiency cannot be ensured to not lead to the waste of a large amount of resources: not only because financing is almost completely disconnected from the output of service provisions, but also due to the “soft budget constraint” problem related to the relationship between the state and the enterprises in centrally planned economies that also apply to the financing of schools. There are no consequences to overspending, and it is easy to get access to the resources needed to maintain wastage.
- Another implication of centralized financing is the lack of space for using financial incentives or disincentives, without which policies cannot be effectively implemented. The resources allocated within the mainstream financing mechanism serve the operation of the schools only. If more money were allocated, more would be spent on operation. The only way to connect funding with specific purposes is grant-giving through tendering that cannot be operated as a channel to fund basic services on a systemic scale.
- Due to standardized inputs, all the services that schools consume (in-service training, consulting, etc.) are fully supplied by the state; again, the suppliers are funded and not their services. It is not considered problematic because additional resources have not been channeled into the internal services of education, and the supply of these services is typically poor and rarely meets contemporary quality requirements. This is why in-service trainings provided by NGOs and by international donor agencies are not integrated into the mainstream capacity building system in most countries of the region.

Generally speaking, any attempts to ensure school autonomy—that is the condition of improving the quality of educational services—with the centralized financial allocation system in place are very much illusory.

As far as *decentralized financial allocation systems* are concerned, the point of departure is the same: the extent of standardization. If choice and curricular diversity are recognized and schools are allowed to manage their processes on their own within broadly defined

frameworks, expenditure at the level of schools begins to differ. Since centralized financing systems cannot manage the diversity of specific costs, the allocation system could be transformed into a three-layer mechanism, with sufficient financial autonomy for school owners and schools. Finally, fiscal decentralization creates two distinct financial relationships: one between the central budget and the school-owning self-governments, and another between the self-governments and the schools.

The reason for the distinction between the two financial relationships is their distinct underlying logic. Central financing should be easily manageable in technical terms and should meet the requirements of transparency, stability, and efficiency. Therefore, the basic financial allocation from state budget to school-owning self-governments usually is a block grant allocation that is calculated on the basis of per student grant that is multiplied by the number of students enrolled. This “per capita” financing is matched with centrally-issued standards that determine the parameters of service delivery with financial relevance (e.g., annual and weekly teaching hours, number of lessons, class size, salary scales, etc.).

On the opposite end of the allocation system, it is not the number of students that determines the costs: it is basically the cost of required teaching that follows from the number of classes. As a result, the underlying logic of financial planning in schools is very much different. With some simplifications, in a decentralized system, the skeleton of the financial planning process consists of the following logical steps:

- The number of lessons is determined on the basis of school-based curriculum and the number of classes.
- The number and composition of the required teaching staff is calculated.
- The annual salary costs are calculated on the basis of the number of annual teaching hours and the positions of the teachers on the salary scale.
- The annual salary costs are supplemented by capital investment (new and amortization) and maintenance costs.

These two distinct planning logics are too disparate to force either the central financing mechanism or the schools to adjust to the other. Thus, an intermediate agent is required that, by playing the role of financial “interface,” is able to connect the central and school-level planning. This is the role that self-governments play in a decentralized system. Self-governments, by approving the school curriculum (that harmonizes government regulated obligatory tasks and additional local tasks), by setting the financial frames of school-level planning, and finally by approving the budgets of the schools, are able to balance the two sides of the financial equation: (i) their incomes from shared public revenues (VAT or PIT), per capita grants received on the basis of central planning, and their own revenues; and (ii) their overall expenditures, with educational expenditures within that are determined on the basis of school-based planning.

Without having these interfaces in place, the direct allocation to schools on a per capita basis would punish the schools with lower than average class size, and would reward others with higher than average class size. This system—apart from being fundamentally unfair—disconnects financing from the service that schools provide as much as the old-fashioned centralized allocation systems with almost the same consequences. Of course, direct per capita allocation with certain adjustments (e.g., by using sophisticated and complicated formulas) can be made more open to a variety of sizes and programs, as was recently attempted in Bulgaria. However, at a certain level of curricular decentralization, no central system can adjust to the ever-greater diversity of local, specific costs anymore, and if it is attempted, it ends up damaging the transparency and easy manageability of the system. In spite of these considerations, in the course of fiscal decentralization, direct “formula-based” allocation is a constantly emerging idea represented by economists with a narrow efficiency focus. (Although it is not very fair, this efficiency approach is called “World Bank fundamentalism” by many educationalists in Central Europe.) Partly due to the narrow efficiency focus, and partly because of the simplification of the connections between financing and other functional governance instruments, there is a sort of “formula fetish” in the discourse on fiscal decentralization in the region that narrows the scope of the process to technical issues.

The main advantages of the three-layer decentralized financial allocation systems are the following:

- At the national level they are technically simple, easily planned and managed, and are not confused by program diversity or the diversity of any other aspects of the local contexts that have an acknowledged impact on the specific costs of educational services.
- Since the “money follows the student,” the basic requirements of financial efficiency are automatically ensured, because it creates a “hard budget constraint” for self-governments. Ensuring efficiency in decentralized systems in either of them becomes a question of regulating the parameters for service delivery, as well of how resources are allocated from self-governments to schools.
- By recognizing the differences in specific costs between different programs, it allows for choice and curricular diversity that is the basic condition of school-based quality improvement. Also, it better allows for the mainstreaming (i.e., inclusion) of the education of any student groups with specific educational needs.
- Decentralized systems allow for strategic steering with a larger focus on the objectives (i.e., curriculum targets and service standards) because they create the space for schools within which expectations of learning outcomes are not unreal.

- This system has a larger potential to channel additional resources to the local level than those systems in which actors are conditioned to fully rely on central budget resources.
- A normative allocation system allows for the use of incentives (e.g., supplementary per capita funding for specific programs or services defined as a percent of the basic per capita grant). This makes financial allocation a powerful policy instrument that effectively influences the behavior of local actors.
- It also can be supplemented by earmarked, targeted support in order to generate demand for different services in accordance with the developmental needs of the schools.

In most of the cases, building the above type of allocation system is the result of the reform of the overall public financing system that involves revenue sharing between the central budget and local self-governments. (Note that the ongoing full-scale fiscal decentralization process in Bulgaria has been implemented only in the financing of education, without being complemented by revenue sharing. Constraining the scope of fiscal decentralization to the distribution of central budget resources is rather exceptional.) However, the growing share of own revenues of the local self-governments in the overall financing of education increases inequalities that are caused by the different income generation capacity of self-governments. When claiming that equalization is extremely important, a possible detrimental side-effect should also be taken into account: these schemes may soften the budget constraints of self-governments, as took place in Hungary when the supplementary resources made available for self-governments were “disadvantaged through no fault of their own.”

Fiscal Decentralization Measures in South Eastern Europe

Fiscal decentralization in the South Eastern Europe has two ends to its spectrum: Albania made very minor steps towards the decentralization of the financial allocation system, while Bulgaria undertook rather radical fiscal decentralization in a relatively short period of time. While in Albania, all financial decisions down to the level of financial “micro-management” are made by regional and district-level deconcentrated agencies of the central level, Bulgaria almost completely decentralized its financial allocation mechanism (Shehi 2009, Danchev and Ivanov 2009). All the other countries in the region fall somewhere between these two cases; for example, Serbia resembles the highly-centralized Albanian pattern, Croatia and Romania made limited steps with the decentralization of maintenance expenditure, and Macedonia slowly moves towards complete fiscal decentralization (Batarello *et al.* 2009, Bischoff and Herczynski 2009, Herczynski *et al.* 2009).

- In *Bulgaria*,²³ the first major steps over the course of decentralization were made on the basis of the overall financial decentralization concept that was adopted in 2002. The new system is based on the distinction between delegated responsibilities from the central government to municipalities and local responsibilities. Disregarding kindergartens and certain supplementary tasks, such as school cafeterias, educational provisions fell under the category of “delegated tasks,” that is, remained fully funded by the state. It means that channeling resources other than those of the state budget—that might be one of the possible underlying purposes of fiscal decentralization—was dropped, and providing primary and secondary education did not become the mandatory task of municipalities. As a result, financial resources allocated to municipalities are “delegated budgets” and not state budget contributions to the funding of municipality tasks, as is the case with kindergartens. In addition, despite the decentralization measures, according to how financial resources are allocated, most of the costs of educational services remained completely funded by the state budget. As a result, the only thing that really matters remains the amount of money that the central government is ready to deploy. In other words: expenditure decentralization is not matched by revenue decentralization. (Municipalities in Bulgaria became entitled tax authorities only in 2008.)

In 2007, unified cost standards and a new per-capita-based financial allocation system were introduced to those “first-level spending units” that directly finance schools: the Ministry of Education and the municipalities. The unified per capita standard is differentiated according to the density of the population, and not according to the specific tasks (program). This further strengthens the feature of the Bulgarian education system of standardizing inputs and processes (“categorical equity”), instead of emphasizing choice and outcomes (“fiscal neutrality”). This underlying approach can be maintained until the curriculum is also oriented to standardizing inputs and processes. However, transitioning to a per-capita-based allocation system is the first necessary step towards ensuring a minimum level of financial efficiency, even in a (future) decentralized governance and management system.

In 2008, a further fiscal decentralization step was made, and the formula-based “delegated budget” was extended to the financial relationship between “first-level spending units” and the schools. This secondary allocation mechanism is also per-capita-based and 100-percent earmarked, although with a 20-percent threshold/buffer for flexible adjustments. The new system does not increase the financial space for the maneuver of the municipalities because it does not allow them to redistribute funds among different institutions on the basis of local priorities. Additional restrictions further narrow the space within which municipalities may consider adjustments to local needs. On the other hand, it does increase the authority of the school directors, especially in the fields of human resource management and in shaping the enrollment policy of the schools.

- In *Croatia*,²⁴ the existing system of financing educational services has three separated strands that are not connected at all. The *first strand of allocation* is the centralized financing of the salary of teachers. These resources compose a huge part of the annual budget of the ministry. The actual salaries are determined by a collective agreement (*kolektivni ugovor*) between the government and the teachers' trade unions. The administration of payments is also centralized.

The *second strand of allocation* is the decentralized funding of the operational cost of schooling. Within this strand the resources are deployed to the owners of the schools from two sources: a predetermined share of personal income tax (PIT) earmarked for educational services and from a central equalization fund. The actual contribution of the equalization fund to the educational expenditure of self-governments is calculated on the basis of the gap between the total earmarked PIT share gathered in the self-governments and the annually-determined minimum financial standards. Of course, resources allocated to the owners through these two channels are often supplemented from other incomes of the self-governments, as well as from the income of the schools. Most self-governments claim that they are able to fund their schools at the level (or almost at the level) of minimum funding standards. The amount of supplementary contribution from the owners very much varies across the country. There is no central regulation on the use of school revenues. There are self-governments that leave all the revenues of the schools at their disposal, and in other cases, 50 percent remains at the school. Since the Croatian public financing system does not recognize amortization and does not incorporate it into the annual cost of maintenance, small capital investments compose a separate budget line.

The *third strand of allocation* is the rather fragmented system of capital investments. Several ministries and central funds allocate capital investment grants to schools or to the owners of schools. In most cases, the procurement procedures and the management of the construction projects is done by central government agencies. The criteria for awarding capital investment grants are not always clear.

The lines among the three strands of financial allocation are ambiguous. For example, the entire teaching staff is not paid in the central compensation system; there are teachers (e.g., the majority of daycare teachers in the city of Zagreb) who are paid by the local self-government. However, due to rigid regulations, very often these locally paid teachers are not entitled to do the same job as those who are in the central compensation scheme. In spite of the financial standards, due to the combination of overregulation and the lack of appropriate regulation at the same time, the funding of schools is arranged among very soft budget constraints. For example, since collective agreements and local trade union intervention may overwrite legally-set service specifications (such as the weekly minimum teaching hours of teachers), the number of teachers employed in schools greatly exceeds that number

that would flow from standards. The central compensation system “automatically” covers the salary of teachers employed beyond the standard needs. Another reason for soft budget constraints is the lack of a clear partition between the budgets of the owners and that of the schools. Again, due to lack of flexibility in the public accounting system and other central regulations, ensuring the minimum efficiency of financing enforces a “flexible and creative exchange” of budgetary lines between the self-governments and the schools.

- In *Macedonia*, the decentralization process initiated by the Ohrid Agreement in 2001 contained certain fiscal decentralization elements, too. Fiscal decentralization started in 2004 and was designed as a two-phase process. In spite of all sorts of regulations that deploy full management and financial responsibilities to municipalities, in the *first phase* implemented in 2005, only maintenance costs were transferred to the municipalities. It created a specific fragmentation: about 90 percent of the budget of the schools was allocated by the Ministry of Education in the old way, while maintenance costs were centrally allocated by categorical grants to the municipalities, that—in certain cases—are supplemented by the municipalities from their own revenues.

Interestingly, the *second phase* with further fiscal decentralization measures was not introduced in all municipalities. From 2007, in a pilot period of phase-two decentralization, a small number of municipalities moved to a new system in which all costs were allocated to the municipalities in block grants calculated on a per capita basis and differentiated according to the level of education and population density. (The latter is in fact an interesting equalization measure built into the basic line of allocation.) The implementation of the second phase started in 2008 when additional municipalities were allowed to join the new financing scheme, while others remained under the “phase-one” allocation system. Still, there are two parallel allocation systems in use that cause many problems. Nevertheless, the overall direction of fiscal decentralization in Macedonia is somewhat similar to the three-layer decentralized allocation system, with revenue sharing between the national and local levels that was described in the previous section (Herczynski et al. 2009).

- In *Romania*, the fiscal decentralization process started earlier than in other countries of the region but did not go any further. In 1994, county and local self-governments took over the responsibility for maintenance expenditures in primary and secondary education that they cover by shared local tax revenues. (Self-governments have remarkable discretion in using these revenues.) However, all other costs (approximately 95 percent of the recurrent budgets of schools) are still funded by central budget sources. Allocation decisions and the management of allocation is the task of the County Inspectorates (*Inspectorul Scolar Judetian*) that allocate resources on the

basis of required teacher inputs. This system is an attempt to incorporate the factors that determine unit costs in schools to a centralized allocation system. In 2004, per capita cost standards were determined, but they have not been applied because they would generate a large increment in the expenditure. Therefore, schools are still funded on the basis of “historical budgeting.” There is an equalization scheme in place, but it is rather weak (Bischoff and Herczynski 2009).

- In *Serbia*, a recent amendment to the Law on Education prescribes the transition into a normative financing system that will be implemented from 2012. The preparation of the outline of the new allocation system just began and it will be piloted in a few municipalities before full-scale implementation. Therefore, the future construct of educational financing is not clear yet. What is interesting here is the fact that the current situation in Serbia offers various examples of transitional difficulties. For instance, a policy of radical inclusion of special needs children is under way that clashes with the problem of how to allocate the necessary supplementary resources to mainstream schools that educate children with organic disabilities or learning difficulties in an integrated way in a system that allows only for individual allowances on the basis of the applications of parents.

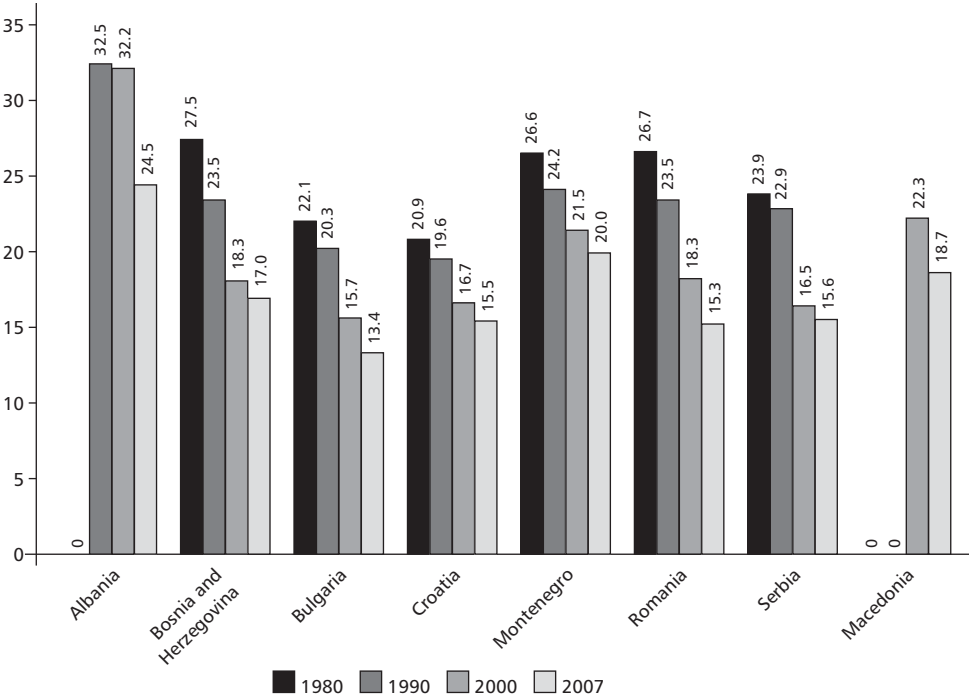
As this short overview demonstrates, it is too early to judge whether the expectations about fiscal decentralization have been proved valid or not. Nevertheless, there are certain signals that permit some cautious optimism. One of the most important underlying presumptions is that fiscal decentralization channels additional resources into the financing of education. The experience of piloting the delegated budget system in Bulgaria provides some valuable insight. In spite of the fact that fiscal decentralization was not matched by revenue sharing in Bulgaria, those municipalities that were experimenting with the delegated budget system supplemented the central budget resources with more of their own contributions than those municipalities that remained out of the new allocation mechanism. The supplementary funding of the “pilot municipalities” was still only 2.6 percent of the overall spending on education, but the trend is promising. On the flip side of the coin, there is a different signal from Croatia: several officials of self-governments reported that the willingness of the counties and the municipalities to supplement central funding will remain limited until they are able to influence the service that their schools provide.

Fiscal Decentralization for Greater Efficiency

The efficiency of the allocation of financial resources in education refers to two distinct layers: efficiency at the systemic and the school level. A very basic understanding of efficiency at the systemic level is efficient allocation systems that ensure an optimal

balance between the school network and staffing on the one hand, and the number of students and the content of the program offered to them on the other. For the time being, education systems in South Eastern Europe can be characterized by a serious shortage and serious wastage of resources at the same time. A specific aspect across the region is increasing inefficiency caused by demographic decline. This is further increased by the fragmented vocational education and training system in most countries and the generous practice of determining the minimum contact hours of teachers in a few others. Thus, especially due to the decreasing number of children, there is more and more surplus capacity in all of the education systems of the region.

Figure 10.3
Proportion of Children under the Age of 14 in the Total Population
in South Eastern Europe (1980–2007)²⁵



Source: United Nations Economic Commission for Europe Statistical Database.

This problem to a certain extent flows from the features of highly centralized systems. For example, the experiences of the Czech Republic and Slovakia proved that if paying the salaries of teachers is kept at the central level, the number of teachers grew. On the contrary, in those countries where the local level manages the resources of schools, the

number of teachers decreased (Bischoff 2009). The explanation for this is the potential effect of decentralized systems that allocated resources to self-governments on a normative basis: they create hard budget constraints for the owners of schools that they are rolling further towards the schools in order to ensure the balance of their own budgets. In Hungary, where the declining number of students causes similar efficiency problems, the press is full of reports on local conflicts caused by school closures or amalgamations at the beginning of each school year.

However, implementing per-capita-based central allocation systems does not automatically remove these surplus capacities. Thus, the school network “rationalization” question infiltrates the design of fiscal decentralization measures. The underlying problem is that municipalities—being very much interested in avoiding local conflicts—are not very enthusiastic about taking over the problem of large surplus capacities together with the ownership of their schools, and it would be unfair, indeed. In theory, it calls for central school network rationalization efforts in advance of fiscal decentralization. Then, in a second phase, fiscal decentralization may create a financing system, in which local actors having hard budget constraints are perpetually striving to maintain the balance between the supply (i.e., the capacities of schools) and demand. This is exactly what happened in Bulgaria, although this underlying logic most likely was not deliberate: between 1999–2007, drastic school closures began and 410 general education institutions were closed (mainly in rural areas) which resulted in student-teacher ratios closer to the average of developed countries. On the other hand, centrally-driven and centrally-administered rationalization initiatives proved to be ineffective, because of their extremely low sensitivity towards the local educational, economic, and social context. Even in Bulgaria, the protection of certain categories of schools is a policy priority. This is why the built-in equalization measure of the new allocation system sets four different financing standards on the basis of demographic and geographic criteria. Therefore, decisions on school closure or amalgamation are worth deploying to the local level, where the involvement of all interested parties into the bargaining process can be ensured.

The situation is further complicated in Croatia, where the very generous student-teacher ratios (and the inability of the system to control the labor intensity of educational services) is matched with serious capacity shortages. As a result, large capital investments are needed in a system that hardly controls its recurrent expenditures. Also, new schools should be established in certain places, while schools should be closed or amalgamated in others. These contradictions “pollute” the discourse on fiscal decentralization: any allocation schemes are immediately assessed through the lens of two questions: who takes the blame for school network rationalization and who makes the decisions on capital investments?

In almost all of the countries in the region, any attempt at centrally-managed school network rationalization or any measures aimed at reducing the labor intensity of educational services have become so politically sensitive that most governments have

avoided addressing the growing efficiency problems. In contrast, central regulations are very much concerned about the efficient use of resources in the schools—in the wrong way. The administrative constraints to efficient financial management at the local level are extremely strong across the entire region: rigid rules on transferring resources from one budget line to another, extremely detailed “standards” for the use of resources, outdated reporting systems, etc. These inflexible systems are nicely “balanced” by the typical weakness of financial audit systems that leave substantial space for creativity in financial administration and budget implementation.

It is important to emphasize that ensuring the efficiency of the financial allocation system is a necessary yet insufficient condition to ensure cost-effectiveness in education; it also requires well-developed human resource management, performance management, professional support, and development mechanisms—all well connected to the system of decentralized financing.

10.3 Human Resource Management in Education

Governing Human Resource Management on a Systemic Scale

In most European countries, the state is the largest employer and teachers represent the largest group of employees. In spite of the outstanding role of teachers and the large amount of money spent on the employment of teachers, human resource management in the education sector is rarely regarded as a distinct, strategically-applied functional governance instrument. The most important reason for this is the extremely fragmented character of the toolkit of managing human resources in education (see Figure 10.4). Most likely, there is no single person who can claim expertise in all the areas involved.

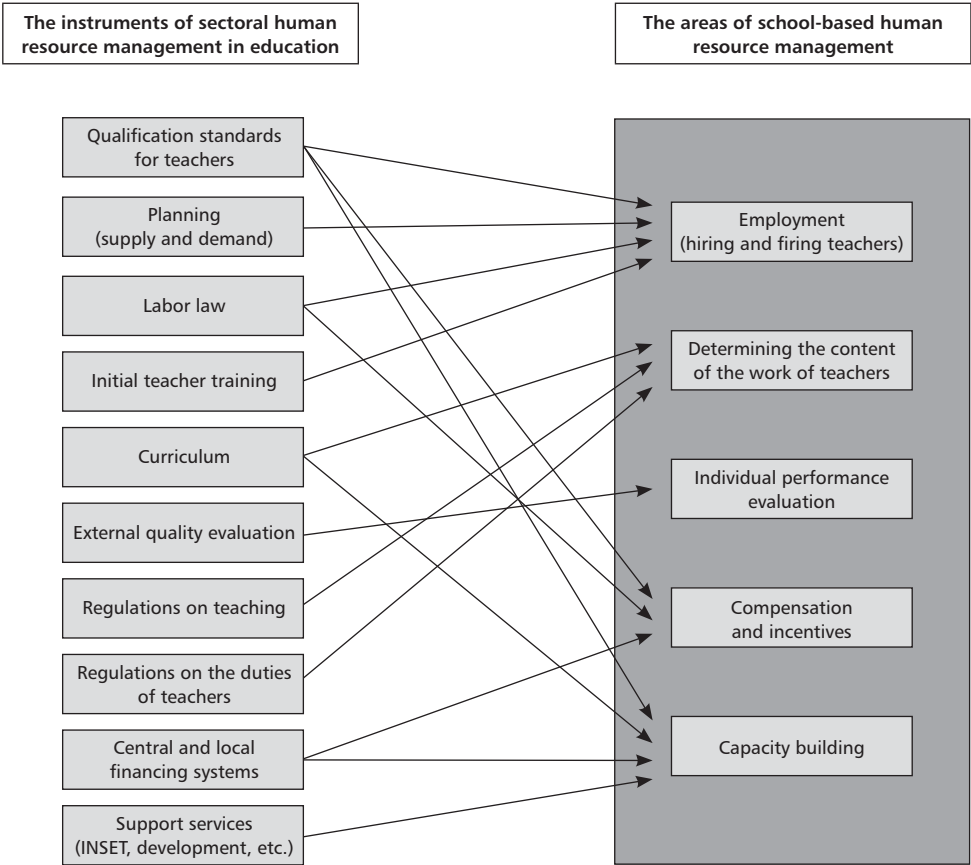
Although ensuring the appropriate supply of qualified teachers and promoting the professionalization of teachers is a concern of all governments, the policies addressing teacher supply, the balance between supply and demand, the preparation of teachers, the compensation of teachers, and their capacity building are typically disconnected. Paradoxically, it is even more typical for centralized systems in which all aspects of human resource management are dealt with centrally. It is not simply the effect of poor policy coordination at the central level. The most important point here is *the interconnected nature of the five components of human resource management* that were briefly mentioned already in Chapter 8: hiring and firing, determining the content of the work, performance evaluation, compensation, and capacity building. Changing something in any of these components should have immediate implications for the four others. For example, modifying the actual duties of teachers should have consequences for their salary, for

the underlying aspects of their performance evaluation, and for their capacity building. What flows from this is the fact that *the only actors who may fully connect the different components of human resource management are those who are controlling all other aspects of service provision: the management of schools*. The further the employers of teachers are placed from the management of service provider organizations, the smaller the chance of creating a full human resource management regime.

This is the theory. The practice shows a very different picture in the great majority of European countries: all components of human resource management in education are subjects of strong central government intervention. The real difference between centralized and decentralized governance systems is not simply the space that is left for the school-based management of the work of teachers. (The case of non-teaching staff is much easier; teacher unions are much less concerned about their specific protected status.) There are certain management tools that simply do not even exist in highly-centralized regimes for the employment of teachers. For example, in many countries, teachers would be very much surprised if someone asked to see their job descriptions; either because it would be evident for all that the content of the work of teachers is regulated in the country's respective capital, or because they would consider any written record of their duties an insult and the violation of the autonomy of teachers. Also, in a very few (mainly South Eastern European) countries, the individual performance evaluation of teachers—that became a regular procedure in any sorts of organizations—is still kindly performed by inspectorates on behalf of the management of the schools, or not performed at all. A lot of managerial energy is also spared by the centrally-regulated salary scales that leave no space for rewarding high performance or following up on poor quality work. The conclusion that was drawn in the previous sections of this chapter was that centralized systems fail to create a balance between demand and teacher supply. We can add here a similar one: in spite of the large investments in initial and in-service training for teachers, centralized systems also fail to promote the professionalization of teachers.

Therefore, if space should be created for school-based human resource management, without which professional school autonomy would be as illusory as autonomy without space for curriculum design, decentralization measures (i.e., the partial withdrawal of central government from human resource management) should be supplemented with the implementation of new instruments within the schools.

Figure 10.4
The Connections between the Human Resource Management Instruments of the Government and School-based Human Resource Management Systems



Compensation Systems: The Space for Differentiation

One aspect of human resource management that is closely connected to the governance of the flow of inputs to schools is the compensation of teachers. As must be obvious after everything that has been said so far, the compensation of teachers, as well as the use of incentives within the remuneration system, is only one aspect of human resource management that can be used properly, if well connected with the other four areas. Differentiation for the sake of differentiation is meaningless; differentiation for the sake of promoting professionalization of teachers works only if matched with changes in the other four areas.

The traditional differentiation within salary scales based on the level of qualification and time spent in the profession does not connect the quality of teaching with the income of teachers, and therefore does not allow for incentives for improvement. Merit-based differentiation has its two major types in connection with the two major European human resource management systems in the public sectors: the Continental European and the Anglo-Saxon. The *continental HRM systems* (e.g., in Germany and France) are *career-based promotion ladders*. In these cases, promotion is based on centrally-set requirements connected to the requirements of high-quality teaching. These schemes often incorporate an induction period for beginning teachers and often reward activities that are not necessarily connected to the work of the teachers in the classrooms. Salary scales set the minimum basic salaries, and, in fact, reward expertise. (Due to the lack of resources in the South Eastern European countries, the minimum salary is, in fact, the average salary.) One of the basic questions of such a system is the difference between the salary level of beginning teachers and veteran teachers. In countries where retaining teachers is a high priority, the difference is larger; where recruiting new teachers is emphasized more, it is less. Another question about salary scales: what is paid beyond the basic salary? In most countries, legislation sets a broad definition of the content of the work for the entire working week (not only for the contact hours). Tasks performed beyond this definition are compensated by various salary supplements.

The *Anglo-Saxon HRM regimes* (e.g., in England and in the Scandinavian countries) are *position-based systems* in which differentiation is based on regular performance evaluation. In these cases, the criteria of evaluation may vary from school to school, and they are developed on the basis of the special environment and tasks of the individual school. The space for the differentiated (“dynamic”) salary component never goes beyond 15–20 percent of basic salaries (Radó 2006b).

Clearly, centralized education systems are better at developing a career-based promotion system that has the potential to better connect the quality of teaching with the compensation of teachers. The introduction of individual differentiation on the basis of performance evaluation is worth considering when the autonomy of schools is ensured and the in-school conditions are developed. Since promotion ladders with salary scales are national frameworks, but performance-based differentiation is a school-based managerial instrument, in decentralized systems—within certain limitations—they can be combined. The underlying purpose of introducing merit-based differentiation might be very different: getting better value for money, changing the culture of schools, encouraging greater accountability, strengthening the relationship between individual and organizational goals, or enhancing job satisfaction.

There are various types of performance-related compensation schemes (of course, there might be various combinations, too) (Radó 2006b).

- Proceeding more rapidly up an incremental pay scale makes the typically rigid salary scales more flexible by opening opportunities for faster merit-based promotion.
- Employees are paid between 80 and 120 percent of a midpoint. In this case, the salary scale determines the mass of resources for remuneration and the individual midpoints, while school directors are differentiating within this space. The problem is the fact that salaries are not flexible “downwards”; those who would earn under the midpoint would feel that money had been taken away from them.
- A performance-related increase available to the whole teaching staff, in addition to the basic salary, if done on the basis of measured outcomes, channels more resources to well-performing schools instead of doing the opposite, not necessarily desirable.
- At the discretion of the school director, a less than 20-percent salary increase could be made available only for individual performance, but this requires an immediate, remarkable increase of the amount of money spent on salaries in order to create the financial space for differentiation.

Previous experience shows that there might be certain unintended side-effects that are worth keeping in mind when designing differentiated compensation systems. The most typical ones that have a negative potential to overwrite the original intentions are the following (Mahony *et al.*, 2004; Wragg *et al.* 2004):

- *Neglect of unrewarded tasks.* Differentiation is always based on a set of criteria that are connected to elements of the work that are to be emphasized. However, due to the complexity of the work of teachers, there are always other elements that remain unrewarded, that is, remain neglected. However, increasing the number of criteria too much would make the scheme hard to manage.
- *Unhealthy standardization.* A diversity of children should entail a diversity of teaching styles and methods. Too much standardization by rigid criteria works against the quality, effectiveness, and equity of teaching.
- *Lack of openness.* The success of the work largely depends on the quality of cooperation among teachers. If differentiation generates competition among teachers, cooperation becomes poor.
- *High costs.* Differentiation, as well as running the mechanisms that allow for differentiation (evaluation, assessment, external professional examination systems, etc.), increases the per student costs of educational services. The expected benefits of the new system should be evaluated against their additional costs.

CHAPTER 11

Curriculum Decentralization

11.1 Regulating Content at the National Level

The General Framework: Content Regulation

Although the terms curriculum and curriculum decentralization are widely used in a very broad sense, in fact, curricula are only one specific instrument within a complex toolbar used to determine the goals for educational services and to determine the actual content of teaching and learning. Therefore, the title of this chapter is a simplification that should be regarded more as a metaphor and less than as a term describing the whole system of regulatory instruments. The salient role associated to curricula originated in the low complexity and centralized past of education systems.

On the following pages we will offer the outline of a *content regulation system*,²⁶ that is, a connected set of various governance instruments by which the actors of governance of education: (i) *determine goals* for service providers, (ii) *influence how autonomous actors are setting goals*, and (iii) *influence the actual content of the teaching-learning process*. The primary conclusion that flows from this definition of content regulations is that its instruments are not to be developed and implemented in a single project; operating these instruments is a perpetual governance task. The various instruments of content regulation are in continuous interaction; therefore, all instruments should be the subject of periodic revision and adjustment.

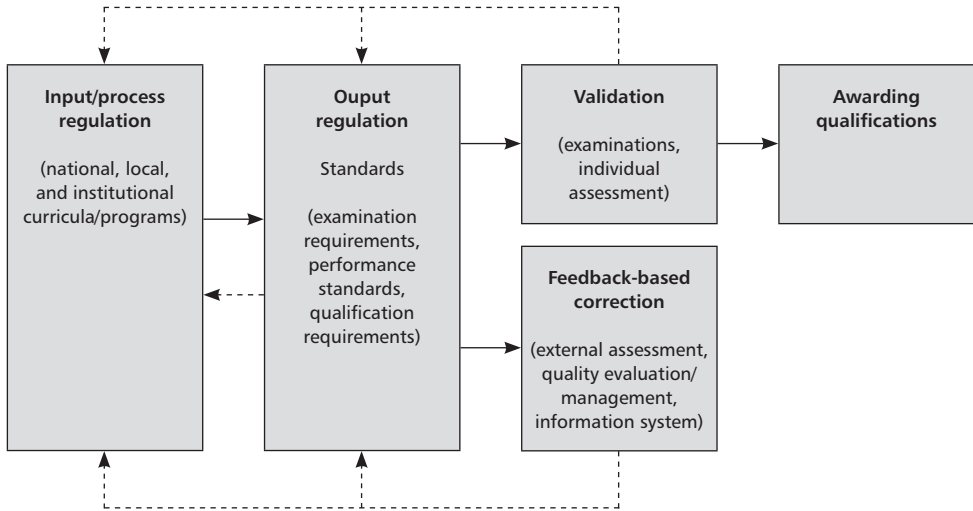
In decentralized education systems, the major components of content regulation are the following:

- A multilevel system of *input and process regulation*. Curricula are planning instruments used to regulate the process of teaching and learning. In centralized systems, national curricula aim to regulate the teaching-learning process. In decentralized systems, however, the main instrument for process regulation is the *school-based curriculum*. National curricula, by setting the framework within which process regulation is designed, are providing input for the development of school-based curricula. There might be various instruments mediating between national and school curricula (such as guidelines, more detailed sample curricula, complex pedagogical programs, complex programs for specific subjects or areas

of studies, etc.), but these instruments do not necessarily have a mandatory character. The school-based curriculum might be part of a more complex school program that may include the principles and instruments of assessment, the selection of teaching materials, the description of extracurricular activities, or specific provisions for children with learning difficulties, or any other content-relevant areas.

- *Output regulations* instruments, that is, *standards*. A standard is a “cumulative body of knowledge and set of competencies (...) that express what all pupils should know and able to do, but not dictate pedagogy” (Steiner). As will be seen here, the distinction between curricula and standards is increasingly ambiguous; however, their function is different: standards determine the targets for teaching and learning and regulate the process through their *retroactive impact*. For example, the underlying standards of high stakes examinations or external assessment programs may completely determine the content of teaching and learning during the years prior to the point where their accomplishment is measured.
- *Qualification system*. Partly because of the need to grasp the complexity of content regulation systems and the interconnected nature of its elements—similar to the term curriculum—the term “qualification system” is often used in an extremely broad sense that makes its meaning quite ambiguous. Here, qualification systems will mean the *underlying standards, the process of validation, and the awarding of the qualification itself*. It means that qualification systems compose a subset of content regulation instruments. Of course, the actual institutional and procedural settings, as well as how qualification systems are connected to other instruments are very different across Europe. For instance, a special instrument at the disposal of qualification systems is the centrally-regulated list of vocational qualifications: the *qualifications register*. These registers serve the very purpose of qualification systems: informing employers. Since they should ideally be easily digestible for all stakeholders, they cannot be too detailed or sophisticated. Therefore, they orient trainers in determining vocational education and training profiles, but do not necessarily contain those standards that are required for curricula design.
- *The instruments for connecting central content regulation tools and service provision*. There are various instruments that are designed and applied in order to bring educational targets into actual educational service provision, that is, to strengthen the impact of centrally-issued curricula and standards. The most important ones are the connected systems of external and internal quality evaluation and the external assessment of student performance. (These instruments are the pillars of quality evaluation systems that will be discussed in the following chapter.)

Figure 11.1
The Toolbar of Decentralized and Intelligent Content Regulation Systems



Of course, this full system of content regulation exists only at those levels and types of education that states strongly control. In higher education, governments have set outcome expectations (qualification requirements), while regulating processes have fallen under the autonomy of higher education institutions. Also, the instruments—at the disposal of governments making interventions in service provisions in order to ensure that external expectations are met—are much weaker in relation to higher education. The same applies to various forms of adult education that are typically provided by private organizations.

We will return to the function that the individual instruments should serve; however, the actual design of the individual instruments depends on their place within the overall content regulation system. Thus, what really matters is the construct of the whole content regulation mechanism. As far as the major trends of the previous decades are concerned, *the main direction of change was curriculum decentralization, then corrected with centralization by strengthening outcome regulation*. The increasing curricular autonomy of schools was based on the recognition that there was a large gap between *intended* and *implemented* curricula. This recognition called for greater school autonomy that would allow greater room for adjusting teaching to the actual context by better connecting processes and outcomes. However, in spite of the increased autonomy, the measured performance of students did not accommodate so well the goals and targets that were set by curricula. Increased autonomy does not automatically lead to better alignment of teaching the great majority of schools. Consequently, from the beginning

of the 1990s, the main concern of educational policy was *setting high expectations* and *ensuring professional accountability*. Therefore, the key question for some time has concerned the *appropriate balance between process regulation and outcome regulation*. If both instruments are soft, governments lose control over the performance of the education system. If both instruments are hard, the space within which schools and teachers adjust to external expectations is eliminated, and the autonomy of schools—emphasized throughout this text—is stifled.

Due to the extreme diversity of content regulation systems in Europe, it is extremely difficult to speak about typical patterns. What emerges as a pattern is the growing focus on tools that are considered to be instrumental for promoting the realignment of educational services towards more complex educational targets. Parallel to the shift to educational targets determined in terms of competencies, the tools that have the potential to force, incite, or support the schools to better accommodate their work are very much at the heart of these policies. In those—rather few—countries where schools are more responsive to curricular changes, this led to curriculum reforms. But in the majority of the old member states of the European Union, the trust in top-down modernization changes was already limited in the 1990s. As a result, most countries turned to output regulation: they developed standards and established the way to use the standards that turned them into high stakes and dominant instruments. The situation in the new member states was quite different. In the 1990s, all these countries were busily abandoning the heritage of the former communist system that inevitably required major curriculum reforms. While in England and in Continental Europe the carriers of change were standards, examinations, and external assessment programs, the wrestling over curriculum played a very similar role in a few Central and Eastern European countries.

However, on both sides of the former Iron Curtain, the majority of countries first encountered the need for major realignments only after the publishing of the results of the 2000 PISA survey. As educational policies in the first decade of the twenty-first century became increasingly driven by performance indicators, the gap between changing external expectations and the low ability of schools to adjust to them became increasingly visible and frustrating to policymakers. Whatever governments experimented with, any changes to any of the components of the content regulation system changed the dynamics of the entire system.

In Chapter 9, we referred to *intelligent governance instruments* that are open and flexible enough to adjust to local context and able to learn. Operating intelligent content regulation systems is a matter of main concern, too. The embedded contradiction is that although Continental Europe stresses the consistency of the education system as a main priority, most instruments (e.g., curricula or standards) are issued by law. The problem is that—regardless of its quality—regulation by law is blunt; when it is enacted, it does not learn anymore, and the only way to improve or adjust it is by issuing new regulations. (Bearing in mind the need for stability and transparency in large systems like educa-

tion, too much flexibility is not required.) Therefore, the system of content regulation becomes intelligent to the extent to which the schools are able to adjust and learn on the basis of external references that are provided by mechanisms that are connected to curricula and standards. This is why the underlying aims of contemporary governance systems are two, interconnected goals: promoting *organizational learning* and ensuring *professional accountability* in schools. The instruments that are designed to serve these major goals will be further discussed in the next chapter on quality evaluation.

The Instruments of Content Regulation

Curricula. National curricula describe the common goals and objectives and set content criteria of the education system. Most European national curricula may contain three layers:

- They *determine goals* for different levels of education for different subjects or study areas at various levels of specification.
- They may determine the *allocation of teaching time* among subject or study areas in a rigid or flexible way.
- They may indicate how *decisions are to be made at any lower level* on curriculum content and/or time allocation.

As the vagueness of this list already indicates, there is a huge variety in curriculum design at the national level across Europe. In fact, the extent to which national curricula contain detailed specifications and detailed timetables determines the space within which schools determine their curricula on their own. *The space left for schools to determine their own objectives, subjects, and timetable is curriculum decentralization.* Another dimension of central regulation and self-regulation in schools is the distinction between *compulsory* and *non-compulsory curriculum*; since the first may not determine the allocation of the entire teaching time, school-based curricula may determine subjects and time for the remaining space. However, national curricula that leave some space for non-compulsory curricular elements might still be overly detailed in determining objectives, subject content, or time allocation (i.e., they might be still very “centralized”).

As goals for education have changed, the design of the construct of curricula has changed, too. Traditional curricula based on the emphasis of subject knowledge and serving process regulation in centralized systems typically set very general goals, organize the content (concepts, names, places, events, formulas, etc.) into themes (units of studies), determine the connected teaching activities and assessment tasks, and provide a detailed timetable of which the basic unit is the lesson. (In most of South Eastern Europe this is called “Plan and Program.”) These are the centrally-issued curricula that teachers are supposed to “implement.”

Later, curricula attempted to integrate certain competencies (such as problem solving) as cross-curricular areas, organizing the objectives into a matrix. More integrated curricula are completely based on the cross-curricular areas that are the points of departure for identifying themes, from which subjects or areas of study are constructed.

Contemporary curricula determine concrete objectives (educational targets) in terms of competencies. The building blocks of these curricula are based on determining the concrete competencies by unpacking the items of lists of competency areas. These competencies are structured by deconvolution (i.e., determining their knowledge, skill, and attitude components). In competencies-based curricula, themes of content, development tasks, and student activities are attached to these bricks of the curriculum construct. There are national curricula of this kind that still contain the knowledge in a rather detailed way, and there are others (like the Hungarian National Core Curriculum) that are purely competencies oriented and abandoned to the prescription of content.

Certainly, national curricula in Europe are very different in terms of the degree to which they itemize educational targets; as a tendency, Scandinavian national curricula are rather short, the Austrian national curriculum and that of several *Länder* in Germany are still quite detailed, while the English curriculum is a sophisticated three-dimensional construction of educational periods, requirements for subject, and levels of requirements (Knausz 2001). There are a few examples in Europe on the (partial) withdrawal of curriculum decentralization in the 1980s. One of them is the case of Norway, where the decentralization measures of the 1987 curriculum guidelines were partially revoked by the new guidelines that became effective in 1997. There also are examples for the temporary return to more centralized curriculum policies in Central and Eastern Europe. For example, the Hungarian National Core Curriculum issued in 1995 was supplemented by the mandatory “Framework Curriculum” in 2000, in order to ensure a greater consistency and a smoother horizontal and vertical student progress. In 2003, the mandatory character of the Framework Curriculum was abolished and a new National Core Curriculum was issued by the government, making further steps in curriculum decentralization, even by comparison to the 1995 system.

Standards. A wide variety of aspects of education might be standardized in education, such as classroom space, teaching materials, or equipment. In relation to content regulation, we refer to *student performance standards* that are educational targets (concrete and specific expectations towards the outcomes of learning) that also may serve as benchmarks (performance references). The basic function of setting standards is ensuring equity by setting minimum requirements for all students. In this respect, performance standards serve a summative purpose by providing the basis for assessment. Parallel to the process of reconsidering goals in education, standards also became competency-based. In addition, the purposes of using standards became increasingly diverse. In a sense, standards have taken over certain old functions of curricula as they are thought to be instrumental for formative, developmental goals, too. As the function of national

curricula shifted from being instruments of process regulation to that for input for school-based curricula, the emphasis on standards became ever stronger. It was caused partly by increasing doubts about the potential of curricula of any kind to influence teaching and learning in the classrooms. In fact, standards have also assumed the old role of curricula that were regarded as carriers of modernization “messages.”

The basic dilemma in relation to standards is the trade-off between the emphasis on high expectations and the original aim of setting minimum performance standards for all. As standards became the most important “currencies” of educational policies, the new prevailing “monetary policy” of the governance of education is regulating the expected achievement levels on the basis of suitability verification (i.e., on the basis of the analysis of the information provided by external assessment). Apart from the actual policy priorities, the “calibration” of standards depends on their intended use, that is, the purpose of the examination, assessment, or type of knowledge validation they serve (see Chapter 12). Also, the dynamics between curricula and standards has changed. While earlier standards typically were translations of curricula, for a certain period of time curricula have often been revisited on the basis of performance standards.

There is a certain risk embedded in the widespread use of standards: their potential to be overused. As governments desperately try to regain control over teaching in the classrooms, sometimes they attempt to “implement” standards directly into the teaching-learning process. The “implementation support” connected to this often targets the daily pedagogical assessment of teachers. The risk of overusing the standards is very much contextual. It may have a detrimental impact in countries where teaching already is an overregulated process with very limited space for differentiation. In content regulation systems that leave a much larger space for individual teacher discretion in selecting methods, this impact is much less a matter of concern. Nevertheless, regardless of the features of the overall content regulation systems, the direct implementation of standards has the potential to increase the likelihood of generating a predominantly summative pedagogical assessment of the repertoire of teachers.

Standards-based curricula. There are two possible ways to rebalance input/process regulation and output regulation and simultaneously maintain the consistency of the content regulation. The first way is by developing a separate set of standards in connection to external assessment and examinations; in these cases, standards are having an effect on the work of schools in an indirect way and their retroactive, content-regulatory potential is utilized. The consistency of the overall system is ensured if central curricula and standards are properly harmonized. The other possible way is incorporating standards into the curricula. The standards-based curriculum has its roots in the accountability systems developed in various states in the United States, where curriculum and standards are already used as interchangeable terms. In those countries that started to build strong accountability systems (like England), performance standards are also built into the curriculum. However, standards-based curriculum is in fact building the original retroac-

tive impact expectations of standards back into the planning of teaching. This implies a very detailed, and in some cases leveled, description of concrete educational targets within the curriculum. In terms of its very purpose, the standards-based curriculum is a measurable curriculum; the composition and types of educational targets in the curriculum are largely determined by the intentions in relation to what is to be measured.

Recently—interestingly enough—several countries are building standards into their curricula even without having regular external assessment systems in place. For example, in Central Europe the Czech Republic and Slovakia are in the implementation stage of major curricular reforms in which outcome standards are incorporated into curricular documents. This also is the case in Slovenia. In contrast, Austria has started to implement standards separate from the curricula for grades four to eight and for vocational education and training. But in Hungary, the only standards in place are the examination requirements for the school-leaving exam of general secondary education (i.e., the entrance examination to higher education), though Hungary has the only regular multilevel standardized external assessment system in the region (Radó 2009).

Incorporating standards into curricula may raise an equity-related issue. Separate standards may contribute to promoting equity in education by setting a minimum achievement target for all students. However, standards incorporated into curricula would imply the same curricula for all, not necessarily desirable because it does not allow adjustment to the specific needs of various student groups.

Qualification systems. The key components of a *qualification system* have been mentioned earlier: the assessment of learning on the basis of standards or criteria, the validation of the assessment by experts, and the reward of a qualification by an authority that recognize the value in the labor market for further education. In primary and general secondary education, it is rather simple: accomplished primary education is often recorded on the basis of (successful) participation, and accomplished general secondary education is typically certificated on the basis of successful school-leaving examinations. The qualification awarded by formal vocational education and training is somewhat more difficult, because examination requirements need to be developed and examinations need to be organized for each vocational profile.

As a matter of fact, certification in primary and general secondary education was not regarded as part of qualification systems until the need to better connect the fragmented qualification systems of the various subsystems of education (general, vocational, higher, and adult education) emerged in order to make learning pathways smoother. When educational targets started to be determined in terms of learning outcomes (i.e., competencies) in all subsystems, it was a natural next step to ensure their alignment that had been impossible with earlier process regulations and programs. The strong momentum for the development of a National Qualifications Framework (NQF) connecting all subsectoral systems was created by a European Union initiative to develop a European Qualifications Framework (EQF). This instrument, using an eight-level

descriptor system, allows for cross-referencing the underlying learning outcomes of national qualification systems. The implementation process of EQF highlighted the need to better connect internal qualification systems within the individual member states.

During the expert cooperation on the implementation of the EQF, a taxonomy was developed for the various types of national qualification system.²⁷ The four types of such systems are the following:

- *Implicit framework*: no explicit expression of a framework, no links between different education and training sectors.
- *Sector framework*: defined series of qualification levels for one or more education sectors, some sector frameworks have descriptors. No explicit links between the different education sectors.
- *Bridging framework*: common levels and descriptors that allow for relating the different descriptors of separate frameworks of education sectors. There is a formal link between the sectors of education.
- *Integrating framework*: a single set of levels and descriptors covering all education sectors, no separate sectors frameworks exists.

11.2 The Interpretation Chain in Primary and Secondary Education

Content regulation in education is a complicated process carried out on different levels, over the course of which different participants interpret certain educational targets into their own practices with a great amount of autonomy. The path from curricula and standards leading to classroom practices is a *fragmentary chain of different interpretations*, which are affected by a complicated set of interests, rather than an implementation project. This is particularly true for decentralized education systems that emphasize the participants' autonomy and their sharing of responsibilities. The model applied here includes six distinct components of the interpretation chain (OPEK 2003).

There might be various and typical shortcomings in the operation of this chain of interpretation that may weaken the indirect connection between central content regulation instruments and teaching and learning in the classrooms. A few of the typical problems encountered mainly in Central and Eastern Europe are the following:

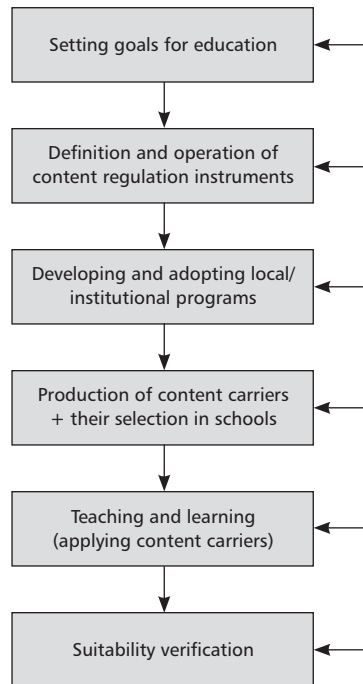
- *Setting goals for education*. Education should not be left at the mercy of educationalists. It does not only mean the genuine political nature of the most important decisions on education: those who have an interest in the outcomes of education should have a decisive voice in determining goals for education.

The involvement of “social partners” (as stakeholders are called in countries with strong corporative traditions) is essential, especially since educational goals are to be increasingly connected to external references. However, setting goals for education, that is, determining the expectations of educational services in many European countries with weaker traditions of social and public policy dialogue, is often an irregular practice. As a result, setting goals remains the monopoly of experts whose job in normal circumstances would be translating goals into specific educational targets or that of officials sitting in stuffy ministerial offices. Also, very often the public debate on various reform initiatives focuses on the instruments, instead of on the goals that the instruments should serve.

- *Definition and operation of different instruments of content regulation.* All these instruments were briefly described in the previous section. Thus, what is needed here is only to draw attention to certain problems that are typical to a few European countries. One of the possible shortcomings flowing from the growing complexity of content regulation systems is the lack of coherence among the various instruments, without which the system delivers diverse and contradictory messages. If this is the case, the interpretation is extremely difficult and the various instruments weaken or extinguish each other's impact. For example, if secondary school-leaving examination requirements and curricula are not harmonized, the high stakes examination completely overwrites the intentions of the curriculum. Another typical problem is the overestimation of the regulatory impact of centrally-issued instruments. In several countries, while governors of education happily dwell in the illusion that teaching is regulated by high-quality curricula, most teachers do not even read them. Finally, an oft-recorded phenomenon—especially in Central and Eastern Europe—is “curriculum overload.” Since the development of curricula and standards is controlled by experts, they often set highly elitist expectations. As a result, “common minimum requirements” are often too high for the majority of students from a less favorable socio-cultural background. In these cases, not the lack of interpretation and application is the problem, but it is the results of the interpretation that affect the process of teaching.
- *Developing and adopting local/institutional programs.* There are serious concerns in many countries about the quality of school-based curricula and their accommodation to national curricula or standards. These problems can be effectively tackled through quality assurance, external evaluation, available expert support, and capacity building. What seems to be more important in decentralized education systems is one of the most important questions of governance: how to ensure that school-based curricula have an internal regulatory effect on teaching? There are evidences suggesting that the introduction of school-based

curricula often do not generate more than heavy “paperwork” (often referred to as “curriculum writing” instead of curriculum development). Moreover, the implementation of the two-level regulatory system may leave only a few weeks for schools to develop their curricula, as it took place in Slovakia in 2008. In this respect, the only guarantees are those organizational processes that were outlined in Part Two.

Figure 11.2
The Interpretation Chain of Content Regulation
in Primary and Secondary Education



Another concern in relation to the development and adoption of school-based curricula is related to the relationship between local self-governments—that are meant to approve the program of schools—and the internal development process. Under ideal circumstances, this process is an iterative one, within which a certain orientation stems from the owners of schools: local priorities, financial frames, and quality expectations. However, the circumstances are rarely ideal. Due to the various potential weaknesses of local planning and decision-making procedures, teachers very often monopolize the program development process, just as it often happens with experts at the national level.

Also, there are certain ambiguities in relation to the desirable role played by teachers. There are policymakers who consider school-based curriculum development as part of the work of teachers for which they should have the necessary expertise, or at least to which they can catch up with the appropriate capacity building and support. In the meantime, there are others who regard curriculum design as the task of specialists. The view of policymakers on the role that teachers should play largely determines the extent to which schools are involved in content regulation.

Development and production of content carriers²⁸ and their selection in schools. The reason why this slightly artificial term is used instead of “textbooks” is the fact that their role in providing the raw material (content) for teaching and learning is declining for two reasons. First, as factual content is increasingly removed from national curricula, many teachers are liberated from the pressure of “covering” all the topics and facts. Still, the textbook remains the most important source of raw material for many teachers, and the degree to which teachers build on the input of textbooks depends on the teachers’ views on relevant and irrelevant content. The second reason is the availability of an increasing and enormous quantity of alternative content. It does not simply mean the enrichment of the available content; it entails a completely different way of importing content into the teaching-learning process. A textbook is more than a compilation of facts; it is an organized, structured, and (pre)interpreted pool of facts. This is exactly what disappears if alternate texts are used, and even more, if digital content is imported. Especially when using digital sources, teachers and students construct for themselves the content from the bricks of “learning objects” (i.e. pictures, maps, quotations, short texts, etc.). This is the reason why many experts consider investment into the development of digital content, as well as into the technical conditions and capacities required, a powerful driver of pedagogical change. (Due to the complexity of teaching, in many cases this is an illusion; sometimes the intensive use of information and communication technologies strengthens traditional frontal teaching.) The potential problems in relation to the selection of textbooks were mentioned earlier in this reading.

Not only teachers interpret the textbooks: the authors of textbooks also interpret the central content regulation documents. In many countries, the link between curricula and teaching is one of the weakest within the interpretation chain. Thus, this matter calls for a disproportionately large space within the discussion on the interpretation chain of content regulation. Problems flow from the fact that textbook publishing is a market with publishers whose behavior is determined by the market. (Even if textbooks are published by publicly-owned companies—with all its detrimental impact on textbook publishing—they are still business actors driven by legitimate vested interests.) It is not simply a business; it is a business with huge comparative market advantages by comparison to any other segments of the publishing market. The traditional way to ensure textbook quality and their alignment with content regulation documents is an official approval procedure on the basis of detailed government regulations. Apart

from the fact that too much central control over the market does not usually work, the underlying licensing requirements are often trivial quantitative criteria that feign objectivity. On the other hand, soft criteria that leave a wide berth for expert discretion are likely to open a space for corruption and informal influence. As a result, European countries with disappointing experiences in making strong market intervention by regulation, moved to governance methods that are combination of *consumer protection*, *development*, and *partnership* frameworks with textbook publishers, all of them aiming to integrate publishers into the system, instead of overregulating the market. (A list of possible market compatible instruments is offered in Box 11.1)

Box 11.1

Influencing Textbook Publishing:
A Few Possible “Market Compatible” Tools

- Influencing the behavior of textbook publishers through incentives, intensive consultation, and quality-oriented guidelines.
- Enforcing and/or inciting internal quality assurance within textbook publisher firms and those done by associations of publishing companies (e.g., only quality-assured textbooks are to be incorporated into a national register).
- Orienting and supporting the authors of textbooks, active knowledge management in textbook methodology, and good practices.
- Orienting of and capacity building for expert participation in textbook evaluation.
- Orienting those who are selecting textbooks (i.e., influencing the behavior of consumers) through external, independent, and regular monitoring of the textbooks on the market with wide dissemination and publishing of the results.
- Field research for the suitability verification of textbooks, incorporating information on the applied textbooks to the background variables of the analysis of external student performance assessment surveys.
- Overcoming the individual teacher monopoly on textbook selection (e.g., one textbook for one subject at the same grade, incorporating the selection into the pedagogical program of schools, incorporating the textbook selection procedure to the aspects of external evaluation, etc.).
- Building the competencies of teachers for the use of alternative texts and digital content.
- Development of alternative sources of content with the involvement of textbook publishers.
- In countries, where textbooks are paid for by parents, ensuring they have appropriate information about the books and strengthening their weight in the selection.

Teaching and learning: applying content carriers and accommodating to school-based curriculum. The real content is what a teacher finds important, relevant, or appropriate; as it is often said: teachers are walking and talking curricula. No matter what is written in the textbooks or in the curricula, the final content of teaching and learning is determined by teachers, even if they overuse the textbooks, which is typical in most of South Eastern Europe. The cultural code that the individual teachers represent is not something that governments have the power to change in any direct way. Governments can do two things (both have been discussed in detail earlier). They can invest in the enrichment of the methodological repertoire of teachers that makes them more open to the use of alternative sources of content and enables them to construct content on their own, and they can promote the internal operation of schools in order to ensure greater professional accountability.

Suitability verification. Assessing the effectiveness of interpretation and application of central government issued content regulation instruments provides the vital information necessary for operating and fine-tuning these instruments. Sometimes it requires direct and targeted research and analysis built into the development and operation of these instruments, while in other cases this information is the by-product of tools primarily serving other purposes, such as testing the performance of students.

11.3 Content Regulation in South Eastern Europe

A common feature of the countries of the region is that they all operate extremely or moderately centralized content regulation systems. There are countries (such as Romania or Serbia) that have already implemented curriculum reforms, while others (like Albania, Bulgaria, and Croatia) still operate old-fashioned, rigid content regulation systems, plus there is Bosnia and Herzegovina, where curriculum reform for the whole country is much more a constitutional matter than an educational one. However, in spite of the minor differences, the similarities of the overall characteristics of content regulation systems are striking. For the sake of illustration, three examples will be described: Croatia, Bulgaria, and Serbia.

- *Croatia.*²⁹ The actual system for setting goals for educational services is extremely centralized, rigid, and primarily oriented towards process regulation. The so-called “plan and program,” (that translates as “curriculum”) is in fact a syllabus; it determines compulsory and non-compulsory subjects, their distribution through classes, the weekly number of lessons for each subject, the total annual number of lessons for each subject, the connected extracurricular lessons, the content to be taught for all subjects, the aims of teaching and learning, and the homework—all for both compulsory and elective subjects. In addition, even “the manner by which a stu-

dent is graded and observed” (Law on Elementary Education) is prescribed by the Ministry of Education. There are other, indirect ways of reducing the professional responsibilities of teachers. For example, until 2005, it was mandatory for textbook publishers to provide so-called “guidelines” (teacher handbooks) for each textbook title they published. These guidelines describe the structure of each lesson with the description of the content of the lessons, the method of assessment, and even the questions to be asked during the lessons. Although publishing these guidelines is not mandatory anymore, teachers do not opt for those textbooks which are not supplemented with this type of “support.” According to the observations available to textbook publishers, the great majority of teachers (especially at lower levels of education) make heavy use of the guidelines and only about 10 percent of the teachers do not use them at all.

Recently, Croatia started to build the basic instrument of output regulation by the impressive reform of secondary school leaving (*matura*) exam. However, there are two problems that make this move questionable: (i) examination reform is not matched by curriculum reform, and therefore the broken balance between process and output regulation will further narrow the free space for teaching in secondary education (i.e., in terms of impact, it is a change favoring further centralization); (ii) no standards (i.e., examination requirements) are made public for the introduction of each year’s new exam, leaving the teachers with no orientation about what they should prepare students for.

Since there is no operating institution for curriculum and program development in Croatia, the capacities for the development of achievement standards is not in place. (The Education and Teacher Training Agency evaluates teaching materials before ministry approval but does not do development.) The so-called “pedagogical standards” have nothing to do with learning outcome targets set for educational services. There is a document that holds the title of standards, the so-called HNOS (*Horvatski Nacionalni Obrazovni Standard*), but in fact this document is a knowledge inventory for secondary schools. The HNOS was not implemented in a gradual upward manner. Nevertheless, so far, it has made a direct impact only on textbook writing; all textbooks had to be revised on the basis on HNOS. According to academic experts of the field, the education profession is still not ready for the shift to regulations based on learning outcomes (competencies) in general education, and even the concept of curriculum is widely misinterpreted.

In vocational education and training, the first preparations for the reform of the system of qualification requirements have started at the Agency for Vocational Education (*Agencija za strukovno obrazovanje*). With the involvement of social partners, 13 sector councils were established that develop sample occupational standards within each of 13 sectors. On the basis of occupational standards, qualification

requirement will be developed that will allow for the development of new curricula for VET programs. The new standards will be determined in terms of competencies (learning outcomes). Therefore, if the reconsideration of goals will not start in general education, there will be a mismatch between how the general and vocational components are regulated in the same VET schools.

- *Bulgaria.*³⁰ The content regulation system in Bulgaria is very similar to Croatia, although in certain aspects, it is somewhat less strict for teachers and schools. The system for setting goals for education is centralized and rigid, but it is primarily process regulation oriented. The centrally-issued process regulation document that translated to English as “curriculum” is a syllabus; it determines compulsory and non-compulsory subjects, their distribution through classes, the weekly number of lessons for each subject, the total annual number of lessons for each subject, and the content to be taught for all subjects. This regulation is supplemented by State Education Standards that set targets in terms of knowledge, skills, and attitudes; however, these standards are still very much subject-based. (The relationship between the curriculum and standards is rather ambiguous.) In addition, the reform of the matriculation (secondary school leaving exams) in 2008 brought a new “high stakes” outcome regulation instrument. In Bulgaria, the emerging learning-outcomes regulation system left the old-fashioned process of control untouched, and that has reduced the professional responsibilities of teachers to a great extent. Therefore, the overall direction of change in this respect is further centralization: not only extremely rare among European countries, but also detrimental to the quality of teaching and learning. In theory, schools incorporate compulsory, optional, and freely optional subjects into their curriculum, but due to the limited space within which they may consider adjusting to the specific needs of the students they educate—or to the specific goals set on the basis of the needs of their environment—these optional elements basically serve to preserve the existing capacities of the schools.

The development of standard achievement requirements (“standards”) that translate the subject-knowledge-based curriculum (“plan and program”) to goals that are partly determined in terms of required competencies has begun. Emphasizing learning outcomes instead of inputs and processes, as well as setting goals in terms of knowledge, skills, attitudes, and aspirations (i.e., competencies), is a major shift towards a regulation system that may lead to more equitable goals and practices. It is a development of outstanding importance, especially in the case of Roma children, because it allows for setting minimum achievement targets that the schools can promote in the case of children from any type of background.

- *Serbia.*³¹ In Serbia a major curriculum reform was launched in 2003. The new curriculum (“plan and program”) contains compulsory and elective subjects, and its content was modernized to a certain extent but still remained very much subject-knowledge-based. Later, the development of standard achievement requirements (“standards”) started, in order to translate the subject knowledge of the curriculum into goals partly determined in terms of required competencies. Standards were developed for grade eight in mathematics, Serbian language, and science, and the development of standards for grade four also has been started. Also, sample-based student performance assessment surveys were conducted mainly in order to gather information about the regular revision of standards. On the basis of these standards, the central curriculum is scheduled to be revised, and that may strengthen the consistency within the content regulation system. (This did not happen in Croatia or in Bulgaria.) The use of these standards is based on the notion that they should connect the centrally-issued curriculum with in-classroom teaching practices, that is, standards should impose a direct impact on teaching and learning. This direct use of standards most likely will make teaching an even more regulated process, just as in Bulgaria and Croatia. In addition, the standards are organized into different achievement levels. This is an appropriate technique if the standards serve as the basis for external assessment; but if they are to directly guide teaching in the classroom, they have the potential to strengthen the already dominant feature of education in the country: setting “double standards” for different students groups generated by the biased expectations of teachers, such as the case of Roma students.
- *In general.* Due to the lack of research evidence, the impact of these systems on teaching cannot be assessed. Nevertheless, there are two features that most educationalists in all of the three countries agree upon. On the one hand, good teachers do not teach according to this rigid process regulation. On the other hand, most teachers were trained and “socialized” according to extremely limited professional expectations that may make it very hard to deploy much more professional autonomy for them in line with the contemporary understanding of the role of teachers. This has implications for the algorithm and speed of decentralization in education.

CHAPTER 12

Quality Evaluation in Decentralized Systems

12.1 The Wider Context of Quality Evaluation

Performance Management in Education

Accountability in education may signify three different aspects: the definition of the content of the service to be provided, the information about the quality of the service, and those actions that are applied in the case of poor quality service provision (Scheerens et al. 2003). In fact, these three possible meanings refer to those three aspects that are to be considered when analyzing the framework within which the specific instruments of quality evaluation are operated. This broader framework is *performance management* in education. Performance management has three major elements: (i) setting goals, (ii) assessment of the extent to which an activity is adapted to the goals and offering feedback on the results of the assessment, and (iii) intervention in cases when goals have or have not been poorly achieved. Translating this into educational services: quality evaluation is based on the goals (concrete specific targets or broader expectations) set by the content regulation mechanism, and followed up on, if giving feedback on the results of quality evaluation do not lead automatically to improvement or correction. In other words, the performance management framework connects content regulation with quality evaluation on the one hand, and quality evaluation with management and development on the other.

As far as goals are concerned, the previous chapter amply discussed content regulation. But the point here is that all activities should be assessed (or evaluated) primarily against their own goals, regardless of who set them and how the goals were set. Therefore, quality evaluation should produce information both on the basis of goals set at the national level and on the basis of those set by the schools themselves. Setting goals at the national level is not done always in the form of regulations. For example, a list of competencies to be emphasized that are incorporated into a development strategy of the ministry of education also may provide the basis for quality evaluation. The key question here is to what extent can the goals set for education service providers be interpreted? (Evaluating on the basis of goals that can hardly be translated into actual educational service specifications would be unfair and meaningless.)

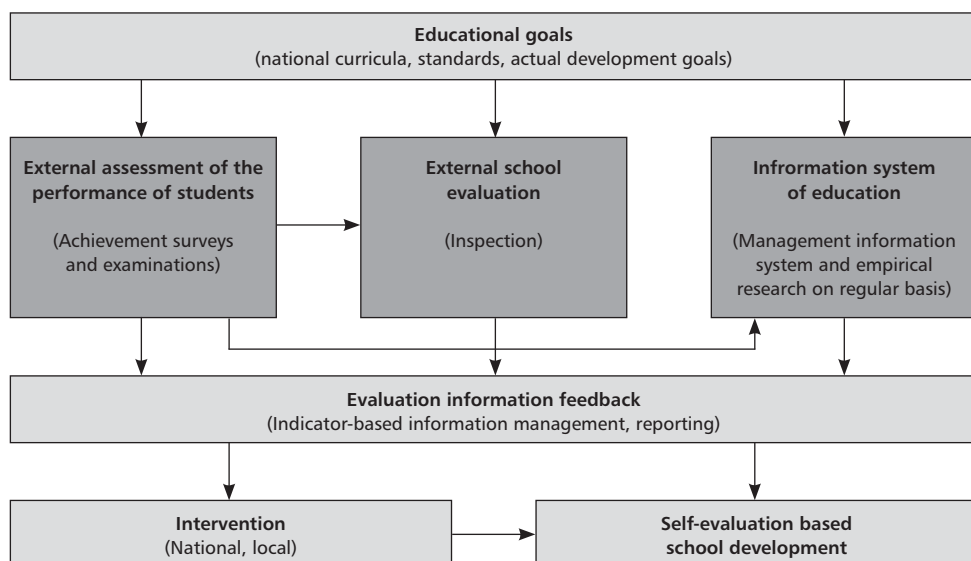
A complete quality evaluation system has three major pillars:

- A national system for the external *assessment of the performance of students* that might be a regular system of external standardized tests or external examinations, and partially through this, the assessment of the performance of schools.
- An *external evaluation system* of schools, in the great majority of European countries (with the exception of Finland and Hungary) performed by inspectorates.
- The *information system of education* that is often supplemented with regular empirical research (sometimes called system monitoring research).

These pillars—if properly organized—compose a system within which the individual pillars are well connected. This system, however, cannot be integrated through its underlying standards, because the pool of standards for all three pillars is too fragmented. The various standards for the various quality evaluation-related activities (i.e., those for the measurement of effectiveness, evaluation of quality, service specifications, statistical classifications, etc.) cannot be unified. In addition, the connection between these standards and the quality of evaluation information is too remote and indirect. Therefore, what really integrates all these instruments is the *information feedback* mechanism of quality evaluation. It is either based on the reporting system of any of the individual pillars that incorporates information produced by other quality evaluation instruments (such as the regular reporting mechanism of inspections in several European countries) or organized as a separate functional mechanism (such as a multilevel indicator-based online and/or offline system). Of course, all the individual pillars have their own reporting mechanisms, such as the online publishing of assessment results, the reporting of educational statistical data, or the dissemination of research results. The heart of the overall feedback mechanism is an educational indicator system that allows for the primary processing of the data and for benchmarking. Importantly, defining and determining indicators that feedback into the quality evaluation information system is not an analytical or developmental enterprise; indicators are governance instruments. As a matter of fact, full-fledged or “complete” quality evaluation systems, such as those of England or the Netherlands are rather rare. However, most European quality evaluation systems operate most of these instruments (Radó 2008).

On the basis of the information provided by the quality evaluation system, there might be a need for *targeted intervention* in connection with low performance or poor quality. This intervention might be indirect (e.g., ranking the schools on the basis of the aggregated performance of their students or publicized ratings of the schools on the basis of external evaluation results) and may punish or reward the schools by influencing the behavior of other actors. But it might also be direct and targeted (e.g., the mandatory development of poorly performing schools or the replacement of the management).

Figure 12.1
The Components of a Fully-fledged Quality Evaluation System in Education



The Aims of Quality Evaluation

Whatever the source of quality evaluation information, the two major aims of its collection are the same as content regulation: *supporting organizational learning* and *ensuring professional accountability*. Many regard the aim related to organizational learning as the primary one, and for good reason. At the risk of repetition, the governance of most European education systems has been based on “empowerment” for decades. The key characteristics of these systems are: (i) school-based curriculum developed by the staff of the schools, (ii) institutional self-evaluation, and (iii) the operation of school-based quality management systems (Bruggen 2000). This type of school autonomy placed organizational learning very much in the center, and external evaluation—once almost exclusively serving accountability purposes—became a major support instrument. Since organizational learning is heavily based on self-evaluation, of which the neutrality, objectivity, and knowledge base are hard to ensure, the external evaluation performed by inspectorates is realigned in order to support self-evaluation by providing external references. Its most obvious sign was the transformation of the content of inspection. Self-evaluation being an activity addressing the whole institution, inspectorates—which used to be oriented to the evaluation of individual teachers—were refocused on whole school evaluation on the basis of all the criteria of quality that are considered to be relevant in the specific country (i.e., full inspection). Parallel to this, ensuring

the professional accountability of the individual teachers became an internal management task. In several countries, external evaluation also includes the evaluation of self-evaluation in the schools (“meta-evaluation”). It gave a greater emphasis to organizational learning within the inspectorates, themselves. This enables inspectors to transfer the experience accumulated in one school to others. (Central European observers are often surprised that certain western inspectorates are “doing research.” In fact, they do not; they accumulate and structure knowledge relevant to their mission in order to transfer good working practices to the schools with which they work.)

This view on the basic role of inspection was built into the quality policy of the European Union, too. One of the key elements of the recommendations issued by the Commission on Quality Evaluation in Education in 2001 is an emphasis on the support to self-evaluation that is provided by external evaluation.³²

The situation is quite similar in relation to the assessment of the performance of students. In all cases, when the results aggregated at the level of the schools are not publicized, the main purpose of measurement is to provide external references for teachers and whole schools. In this respect, there is a difference in emphasis between the United States and most of the European countries; while American assessment policies rather focus on teachers, these policies in Europe emphasize much more informing whole schools, especially self-evaluation in schools.

The duality of organizational learning and accountability goals is present in all European systems; the number of countries that do not strive to serve both aims at the same time is quite limited. (One of them is the Hungarian quality evaluation system, within which actually the absolute dominance of the support function prevails. Therefore, building an accountability system is a high-priority matter on the Hungarian policy agenda.) But the problem is that the two aims can hardly be addressed with the same intensity. The required balance between the two aims, however, is too contextual and depends on the internal logic of the development of such systems. For example, while the dominant aim of the inspectorate in England is accountability, in the Netherlands the supporting character is stronger.

The basic underlying question is: are there the conditions of organizational learning in place in the schools? If we recall these conditions from the summary of Part Two, this question can be easily answered country by country. In most of Central and all South Eastern European countries, schools are very far from being learning organizations. As far as Central Europe is concerned, self-evaluation is the mandatory task of schools in Austria, in Hungary, and since 2007, in the Czech Republic; but this activity is not yet properly supported or acted upon in any of these countries. It has been recommended for Slovenian schools but has yet to be made mandatory via legislation. In Slovakia, there is no such expectation of schools. But even in Hungary, where all the necessary instrument are deployed to schools as a mandatory task, research results show that the great majority of schools do not make use of external measurement data with which they are

exceptionally well supplied. It is even more typical for South Eastern Europe. Serbia is the only country in the region where the task of self-evaluation and school development is deployed; all other countries in the region tried only pilot testing programs, at most. As a result, schools do not transfer any external expectations to their teachers, and they are not becoming outcome-oriented organizations. (This is the reason for the leverage of remarkably high investment into school-based development being so small; it only produces islands of innovation.)

The most important conclusion to be drawn from all this is that *accountability systems create demand for the utilization of support from outside*. Without accountability mechanisms in place, the formal mandate of running self-evaluation and quality management does not automatically result in organizational learning. This is the reason for building “intelligent accountability systems” (Hopkins 2004) that effectively supported schools’ own development efforts that came to the forefront during the last decade. Thus, at the level of this basic rule of thumb, supporting organizational learning and ensuring accountability are not mutually exclusive aims. The point is just the opposite: they both require one another’s existence. However—as will be presented later—what nicely fits at the level of the entire quality evaluation system creates a lot of trade-offs in relation to specific concrete instruments.

12.2 Professional Accountability Systems

Performance- and Quality-based Accountability Systems

In line with the learning outcomes approach as the prevailing paradigm of educational policy, the measurement of students’ competencies has become the most influential policy instrument in those countries that can afford the costs of large-scale assessment programs and, for any reason, that find it important to invest in the modernization of their governance systems. One would assume that accountability systems are also realigned accordingly, building on the learning-outcomes targets determined by content regulation instruments and on an extended, regular measurement system (i.e., testing). But what we see is that—in spite of the spectacular popularity of measurement among most European countries—they tackle this shift with caution. While (with one exception) all states of the United States issued standards-based curricula and operate accountability schemes based on widespread external assessment—that was raised to the federal level by the “No Child Left Behind” (NCLB) initiative in 2001—the typical European pattern is still quite different. The best way to grasp the characteristics of European quality evaluation systems is to compare between the *performance-oriented accountability systems* in the United States and the *quality-oriented accountability systems* in Europe.

Briefly summarizing the differences between the two kinds of accountability systems, performance-oriented accountability systems are based on student performance standards, on testing strongly connected to the standards, and on consequences connected to the results of testing (Hamilton 2003). Contrarily, quality-oriented systems are based on quality standards (within these performance standards), on the external evaluation of schools and an assessment informing evaluation, and on consequences connected to external evaluation. It should be emphasized that those countries that can be clearly categorized into one or the other type are rather rare; however, on the basis of key characteristics of quality evaluation systems, all countries are closer to one of these accountability patterns.

Table 12.1
The Algorithm of Performance- and Quality-oriented
Accountability Systems³³

Performance-oriented accountability systems	Quality-oriented accountability systems
Setting performance standards	Determining quality criteria and setting performance standards
The external assessment of the performance of students	External quality evaluation and external assessment informing evaluation
Publicized feedback of assessment results	Publicized feedback of evaluation results (in certain countries also assessment results)
Setting benchmarks for the expected improvement of performance	Identifying schools providing poor-quality service
Punishing or rewarding consequences attached to performance	Mandatory development of schools with poor quality (developmental intervention)

It is important to keep in mind that the difference between both sides of the Atlantic cannot be explained by the “backwardness” or “tardiness” of Europe in this respect; the context is very much different in two ways. The first difference flows from the different ways policy decisions are made. Due to the much more limited role of governments in the United States, the primary ground of policymaking is not the public administration, but politics (Vass 2005). As a result, the knowledge base of policymaking is provided by committed albeit independent think tanks, and during implementation, the instruments that can be outsourced play an outstanding role. Responding to the demand generated by accountability policies in the United States and the ease of outsourcing such services, testing organizations built their capacity accordingly. (Many experts consider the “testing industry” as one of the most influential interest groups in education in America.) Therefore, educational policies in the United States are largely determined by genuine public policy considerations, according to which ensuring the balance between expen-

diture and outcomes is the highest priority. While saying that the American context heavily favors performance-oriented approaches, we do not suggest that the quality of educational services is less important in the United States; what we do say is simply that the sophisticated understanding of the quality of education approach does not really translate to politicians, lawyers, and economists.

By contrast, in the majority of European countries, the most important agents of educational policymaking are ministries that accumulate the necessary knowledge base and implement their policies according to their own publicly owned and managed agencies. Since policy decisions in Europe are much more “expert” decisions than in the United States, policies in Europe are much less inclined to put an equal sign between indicators and the indicated phenomenon. In other words: for educationalists, measured performance is one of many aspects of the quality of education that matter. Again, it does not mean that cost-effectiveness is not an important concern in European countries that are less governed by lawyers and economists—not necessarily an advantage, anyway. We simply suggest that government-owned public agencies that have a monopoly on providing certain services on the basis of legal mandate (e.g., inspectorates, curriculum and/or qualification authorities, national institutes for education, etc.) are much better suited to apply a sophisticated educationalist perspective.

The three pillars of a quality evaluation system can be erected on the basis of both approaches. The choice between the two orientations should depend on the actual context: what are the purposes that the different pillars of quality evaluation systems should serve, which pillar becomes the dominant element of the whole system, how are the possible connections among them arranged, and what kind of intervention is built on them?

Quality-oriented Systems: External Evaluation

Quality-oriented systems have certain valuable advantages. For example, these systems, by addressing both processes and outcomes, are much closer to the complexity and discretionary character of educational services. Therefore, external evaluation leaves much more space for the alignment of accountability and developmental goals. In a sense, it is much more open and conducive towards large diversity within the network of education service providers, thus it better suits the decentralized governance model based on school empowerment and autonomy. Also, external evaluation integrates student performance information more easily than performance-based accountability systems are able to integrate information on the operation of schools, teaching, and learning. For example, if external assessment of the achievement of students also collects contextual information, such as background information about students or schools (as PISA and other international surveys do), they properly inform school evaluation (OECD

2004). And finally, since external evaluation—beyond standardization—is open to expert judgment based on observation and experience, the quality evaluation information produced in this way is more easily digestible for the profession. (Evaluation is, by definition, expert judgment.)

However, a few considerations call for some precaution within certain contexts about the exclusivity of external evaluation within the quality evaluation system. The most important ones are the following (Radó 2008):

- As was mentioned earlier, quality evaluation systems should operate as the dominant instruments. It will later be seen that, in theory, external evaluation can also be made dominant. However, the evaluation information produced by inspectors is much harder to digest by non-professionals; the results are not easily communicated to the other actors within the accountability relationships. As a result, the potential of external evaluation to influence the behavior of actors other than that of the service providers is limited.
- Due to the relatively large number of quality criteria, it is much harder to decide where lies the threshold of performance below which service providers should count on the consequences. In other words: external evaluation makes benchmarking much harder, if at all.
- If we strive too hard to make external evaluation a dominant instrument, the consequences attached to it will eliminate the “critical friend” role of the evaluator, because the staff of the school will perceive evaluation as a threat. As a result, the function of supporting self-evaluation and school-based development will be poorly achieved. It is a greater danger in countries where inspection played a much more controlling role up until currently. (The realignment of inspection is not only about the “resocialization” of the inspectors; it is also about that of the schools with which the inspectors are working.)
- As will be seen later, the consequences attached to external evaluation influence the quality of teaching and learning via multiple, weak transmissions. The most important agents to be held accountable for the transmission of the “messages” of external evaluation are school directors. However, if directors’ perceptions of their own role are internally referenced (as is the case in many European school systems), this transmission will remain weak.
- Regardless of the concrete parameters set for external evaluation, it usually addresses the connection between the use of available resources, organizational processes, and learning outcomes. However, revealing these connections is a sophisticated methodological task, about which European inspectorates have accumulated much experience (and research) for some time. If a country engages in the process of transforming a control-oriented inspection to a contemporary,

whole-school supportive inspection, the time needed to reach the full potential of external evaluation may require a decade or more. (Politicians who are considering investing in systemic changes are rarely so patient.)

Performance-oriented Systems: External Assessment

The most important tool of performance-oriented accountability systems is the external assessment of students' achievement by standardized tests. Various, sometimes contradictory goals are thought to be served by testing: informing external and self-evaluation reliably, influencing and informing the in-classroom practice of teachers, motivating teachers and students to improve performance, informing parental decisions, informing the decisions of owners about rewarding or even closing schools, etc. In general, it often happens that policymakers—even in countries with a large testing industry—are not fully aware of the potential and limitations of the usefulness of information gleaned from external assessment. (This ignorance sometimes produces rather extreme ideas, such as the differentiated compensation of teachers on the basis of test results.) Large-scale, regular external assessment is a relatively new policy instrument; therefore, it often seeks to meet illusory expectations. For example, the main conclusion of the evaluation of the No Child Left Behind initiative was also that too many contradictory expectations weakened the impact of the test-based accountability system (Hamilton 2003; Darling and Hammond 2004).

This text is about the task to be commissioned to assessment experts and not about the methodology that experts use. However, since the selection of the method of testing should be based on the purpose of testing, and vice versa, where the applied method determines the use of the result, the difference between *criterion-referenced testing* and *norm-referenced testing* should be briefly explained here (Hamilton and Korentz 2002). The difference between the two types of tests lies in their interpretability; therefore, they serve different purposes. Criterion-referenced tests compare performance and knowledge against a level of expected achievement; thus, in theory, it may produce the same result with all the students, not to mention that the results do not disperse very much. The basis of criterion-oriented tests is a standard; the test measures how much the standard's targets have been achieved. Therefore, the primary purpose of this test is accountability. In contrast, norm-referenced tests allow for the comparison of the performance of students; in the case of the use of standardized tests, the results show the curve of normal distribution. This test is not created on the basis of any standards, and it allows for performance comparison at different levels of aggregation (schools, student groups, various management levels, etc.).

Although in certain circumstances with certain limitations there might be “interpretation trespassing” between two purposes and the results of two types of tests, in order to

define clear and unambiguous assignments for measurement experts, priorities should be set between the two distinct goals. In very general terms, from an accountability point of view, we should clearly determine what the priority goal is to ensure: the standard-based accountability of educational service provider institutions or—in order to strengthen the short route of accountability—to inform clients by allowing them to compare the performance of different schools. (The accountability system of the United States is based on the use of criterion-referenced tests.) Of course, it sometimes happens that educational policy uses the result of norm-referenced tests as a performance criterion; this is the case, for example, with using a certain performance level of the PISA survey as the basis for benchmarking in the European Union, or when national policies set targets by the performance levels of the same survey. Nevertheless, the rule of thumb to be applied is *one purpose, one test*; tests are not designed to serve multiple purposes. Avoiding the ambiguity of the interpretation of test results is even more important in countries where national assessment programs are considered to be “research,” or—in slightly improved cases—an instrument for informing educational policies only, and not what they really are: governance instruments. Also, it helps to avoid situations that are not unprecedented in Europe, when test designers set the goals for measurement themselves due to the lack of clearly determined policy expectations.

The advantages of accountability systems based on performance assessment are numerous and attractive. As will be discussed later, the measurement of student achievement can be made dominant quite easily; in order to influence the behavior of the actors in local accountability relationships, in most cases it is enough to publicize the results aggregated at the level of schools. It is also a very effective instrument for shaping policies: it focuses attention, strongly determines the direction of the policy discourse, and is simple to communicate. Since it provides information for cost-effectiveness indicators, it is an effective policy instrument. Another advantage of the use of test results is that they effectively direct attention to the underlying problems of effectiveness deficiencies; therefore, they may generate demand for development. Several evaluations prove that, as a result of test-based accountability schemes, participation in in-service program was increased, curricula were revised, and underachieving students received more personal support. Also, research shows that testing for accountability purposes influences the work of teachers; in many cases, it results in a reorganization of the allocation of teaching time and a reconsideration of goals, as well as generates demand for more effective teaching methods. From a governance perspective, test-based systems may strengthen the impact of content regulation instruments by forcing schools to adjust to external expectations.

The risks of accountability systems operating with tests are no less numerous, and—paradoxically enough—they may flow out of the same reasons as their advantages (Radó 2008).

- The most important risk of test-based accountability systems is generated by the power of the consequences connected to the results: they may become too

dominant. In extreme cases, teachers or schools may cheat in order to upgrade the results, reducing the reliability of the results and forcing the government to implement very expensive quality assurance guarantees.

- Although test-based accountability systems may impose a substantial impact on the behavior of local actors, their behavior is influenced by many other factors that these systems are unable to control or influence.
- If the school staff is striving to achieve a short-term results improvement instead of making efforts for long-term improvement of the competencies of the students, the consequence is what the literature calls *test result inflation*: the reason for improved results is not improved learning but the improved ability of students to take tests. The reason for this is “teaching to the test”; teachers are focusing on the types of tasks that are applied in the tests, and they determine the allocation of teaching time and the selection of methods in relation to the purpose of training students to take tests. Rather than enriching teaching, this method narrows the scope of teaching.
- Test result inflation might be heightened if strong consequences are attached to test results and are coupled with overly high expectations of teachers. If teachers perceive expectations as impossible to meet, they will take shortcuts between teaching and tests.
- The most important constraint encoded into testing is that it focuses attention too much: it makes the problems visible that we measure, but those that are unmeasured remain invisible. While quality evaluation has the potential to identify the very different problems of different schools, testing answers only those questions that were “asked.”
- The results of tests are not identical to the phenomenon that is measured. For the sake of measurability, the competencies to be assessed are split into subcomponents among which the dominant ones are determined, and the test items measure these “particles.” On the basis of the results, we discursively judge the level of the development of the competencies. Therefore, test results are proxies; they are not identical to the competence to be measured. However, the fact that we attach consequences to the results does not allow for their cautious and sophisticated interpretation. In other words, we are inclined to take assessment results too seriously.
- Measurement by itself does not reveal those factors that explain the results. Therefore, the impact of accountability systems based exclusively on testing is rather controversial. Very often, the façade of performance is improved due to accountability measures. However, there is no shortcut between testing and

improved effectiveness, and improved learning outcomes might also be explained by many other reasons. *With external assessment, the targets of intervention can be determined, but not the means of intervention.*

- Several times test-based accountability imposed a very detrimental impact on the equity of education. For example, in the United States, the number of children enrolled in remedial programs has increased as a result of their deteriorated average test results in mainstream classes.

The more we learn about the potential detrimental side-effects of a test-based accountability system, the more is invested in order to deal with them. However, we do not know much about the impact of the various correction methods and policies. (We should count on the fact that it is impossible to create a trouble-free system with no negative side-effects whatsoever.) There are three types of initiatives for reducing the risks of performance-oriented accountability systems: (i) the development of measurement methodology in order to strengthen the connection between goals and methods, (ii) the secondary analysis of performance data (such as pedagogical added value), and (iii) the development of support services connected to measurement.

What deserves further explanation here is making testing suitable for the purposes of secondary analysis. Very often, indicators produced by a secondary analysis offer a much more accurate picture about the performance of schools than raw performance data. The two most often used derived indicators are the pedagogical value added and the socio-economic value added. Computing *pedagogical value-added* indicators is possible on the basis of several subsequent and connected assessments. It shows the positive or negative deviation from the expected progress of students in terms of their measured learning outcomes. (This requires a technical opportunity to connect the achievement data of individual students in several subsequent tests.) Another indicator is the *socio-economic value-added* indicator (“SES index”) that compares the achievement of the student to the expected performance calculated on the basis of his or her socio-economic background variables. This indicator can be calculated on the basis of a single test if the required background variables are included. Both indicators can be applied at any level of aggregation, which makes them powerful instruments for informing policymaking.

Quality Evaluation in South Eastern Europe

The quality evaluation systems of the countries in South Eastern Europe are mixtures of old-fashioned, malfunctioning professional control mechanisms and embryonic elements of contemporary quality evaluation instruments. Just as in the case of content regulation, the similarities between the countries of the region are extremely salient.

The actual system of inspection in all the countries in the region is *subject-based, process-oriented, and teacher-centered*. Therefore, the major alignment of inspectorates controls individual teachers, even if it were alleviated in most countries, partly by connecting inspection with professional support functions. The employees of the inspectorates are subject specialists typically having little background, training, or experience in whole school evaluation. The basis of inspection is the curriculum and—in certain countries—the standards issued at the central level. So far, the only country that has started investing in the realignment of inspection is Serbia, in a Dutch-Serbian joint project.

Another common regional feature is the *logjam of diverse and contradictory functions*. The County Inspectorates in Romania and the Regional Inspectorates in Bulgaria are performing various administrative, information management, professional support, and evaluation functions. (For example, managing the financial allocation to schools in Romania, or appointing the directors in Bulgaria.) In Croatia, professional support functions and external evaluation are combined in the work of the Education and Teacher Training Agency, within which the previous is dominant. As a result, there is no external evaluation at all in practice. In Serbia, the work of the inspectors in organizational terms is partially separated within the network of Regional Departments of the ministry, but it is still far from being a separate organization. The problem with placing all these functions within one organizational framework is a major obstacle to the professionalization of any of the tasks involved.

There is no regular, external monitoring of the performance of students of the countries in the region. There were some experimental assessment programs in most countries, and they participated in international surveys that were instrumental in building the necessary professional capacities. The secondary school leaving examination was introduced in Bulgaria and will soon be introduced in Croatia.

Generally speaking, the quality evaluation systems of the region have been able to maintain the illusion of maintaining control of the quality of educational services, yet are unable to serve any of the two major aims of such systems: they are neither able to provide external, reliable, and objective references to self-evaluation, nor are they able to hold schools accountable. In fact, none of the local actors receive reliable feedback on the quality or effectiveness of the service that their schools provide. Various quality evaluation substitutes are used instead, such as the results of students at subject competitions.

12.3 Quality-evaluation-based Intervention

A key question for ensuring professional accountability in education is: what is to be done, if quality evaluation information feedback to schools does not automatically entail organizational learning and adjustment to expectations related to external quality and effectiveness? The cases when schools are underperforming are called *school failure*;

the instruments to be used in order to overcome school failure are *indirect* or *targeted intervention*.

Identifying Schools Failure

We all know that there are schools that do not meet the minimum quality and effectiveness requirements. A full performance management system is not complete if failing schools are not identified, and failure does not entail consequences. However, when mapping out the possible tools for determining school failure, we face several problems and dilemmas.

The idea of declaring a school to be failing is based on three underlying assumptions (Spreng 2005):

- In the given education system, there exists a universal and valid set of expectations of schools, and the management and staff of the schools are well aware of them.
- There is an agreement about the way of measuring and evaluating the extent to which these expectations are met.
- It is clear to everyone how poor is the achievement of a school that already allows for a declaration of failure. Also, quality evaluation instruments identifying schools under the threshold should be trustworthy.

If only one of these three conditions is not realized, it is already unfair to label schools as failing; as a matter of fact, they are never fully realized. However, since identifying school failure is inevitable, our point of departure should not be the statement of momentary failure. The solution to this dilemma is offered by Michael Barber: the difference between bad schools and failing schools is the extent to which a school is able to take on sustainable and self-guided development (Quoted by Spreng 2005). Identifying bad schools without attaching direct consequences to it can be done without serious risks. If after notification, it can be documented that the school has been unable to improve its work along the aspects underpinning the notification, we can already speak about failure. Therefore, *school failure is the forgone opportunity to solve or to mitigate the problems that were indicated by any forms of external quality evaluation*. But according to this definition, we did not solve the dilemma of identifying failing schools; however, by “leveling” failure and incorporating a procedural element, we reduced its possible risks.

As far as South Eastern European—and most Central European—countries are concerned, none of the conditions that allow the just identification of school failure exist: due to the lack of standards, there are no unambiguous performance requirements, and in terms of quality, only legal regulations offer rather vague references due to the

lack of set areas and criteria for evaluation. There is no agreement about the type of quality evaluation systems to be operated; therefore, there is not even discourse on the measures of failure. Although a large segment of the school system in all of the countries of the region has failed to educate masses of students, no schools can be declared as failing with full confidence, because such expectations have simply never been set for them—probably because it would have been insulting. Thus, the introduction of any form of intervention should be gradual; only those schools that received an opportunity to catch up to expectations and failed can be hit with serious consequences.

Identifying “bad schools” (of course, without using this label)—that is, those that should have the opportunity to avoid falling under the category of failing schools—can be done on the basis of external assessment results as well as on the basis of external evaluation. The assessment experts suggest that it would be unfair, again, to determine poorly performing schools on the basis of the results of one single test, because the contextual factors determining the results may change from year to year. Therefore, it is reasonable to do so by summarizing the results of at least three subsequent assessments. If norm-referenced tests are used—although this would be rather arbitrary—a threshold can be drawn on an annual basis under which the obligation of development has to be enforced. The disadvantage of this method is that the requirement of predetermined and known criteria does not exist, because the actual position of individual schools in the comparison with other schools is contingent. Identifying poor performance on the basis of standards with criterion-referenced tests appears to be a much fairer method, for example, as applied by the accountability system in the United States. Therefore, if building assessment-based accountability systems in the European countries, then this would also be appropriate.

Determining the targeted schools for intervention can also be done on the basis of external evaluation. It appears to be the characteristic function of inspection in England, but this function is exercised by inspections in other European countries, too. (The label of “failing school” was first used by OFSTED [Office for Standards in Education, Children’s Services and Skills, the non-ministerial government department of Her Majesty’s Chief Inspector of School in England] but it is no longer in use.). In the work of Continental inspectorates, due to the dominance of developmental goals, external evaluation itself is considered to be intervention. The recent British inspection makes a distinction between two categories: “schools with serious weaknesses” and “schools under special measures.” Schools falling under the first category do not face any consequences and receive support for development. Schools in the second category, however, are subject to external intervention. As has already been mentioned, the weakness of the identification of poorly achieving schools on the basis of external evaluation is the large number of quality criteria that makes benchmarking very difficult. Since building an inspection service that is capable of performing this on a regular basis takes a lot of time, it seems to be much more feasible in the countries of South Eastern Europe

—as in many other European countries—to create a regular national assessment system that is capable of identifying poor-performing schools like, for example, Norway.

Indirect Intervention: The Impact of Publicity

Apart from supporting organizational learning, the aim of quality evaluation is to ensure professional accountability; in practice, it means the actual publicity of quality evaluation information. When focusing on accountability purposes, the audience of quality evaluation information is not only the service provider institution, but also all other actors in the accountability relationships.

The same quality evaluation information “behaves” in a very different way, depending on whether only the school staff have access, or whether it is received by parents, local authorities, or the media. Informing the actors of local accountability relationships influences their behavior, but this impact is quite contextual. For example, if residing in a country where the option of school is free, and parents can consider alternative options for their children’s education, the impact of the publicity of assessment results aggregated at the level of the schools imposes a large impact on schools. In these cases, making assessment results public easily becomes a dominant instrument. The experience of several European countries proves that publicizing assessment data inevitably results in the publishing of school rankings even if it is not the intention of the assessment policy. Publishing school performance data is a pressurizing instrument; it does not simply inform decisions related to the use of the “final weapon” of parents, that is, transferring their children to another school. The mere possibility that it may happen as a result of available information stimulates schools to better involve parents, a quality-improving factor in itself (Spreng 2005). The same pressurizing impact is often reached by presenting external evaluation information to parents and local authorities (Bruggen 2000).

Publicizing assessment data has an effect not only on the movements of students within the system, but also on that of teachers. For example, Norway had to develop special policy measures in order to balance the flux of teachers to better performing schools. In the same way, if local self-governments decide to reduce school capacities for financial reasons, the content of external evaluation reports made available for them can play a decisive role. Consequently, the publicity of quality evaluation information is an intervention instrument, though indirect, untargeted, and hard to forecast its effect. For example, the publicity of assessment data does not equally influence the behavior of parents with different socio-economic backgrounds; parents with higher status benefit more from the information because they can consider many more options than those with lower status.

Obviously, within certain circumstances, quality evaluation information has the potential to impose a radical impact on accountability relationships. However, publicity

always generates conflicts everywhere. This is why many experts are promoting “regulated publicity”; it may mean making only certain parts of evaluation reports public, while the full report is made available only to the staff of schools. The most important argument in favor of regulated publicity is the fact that prevailing accountability measures weaken the function of organizational learning. Also, there might be concerns about the reliability (i.e., relevance and validity) of performance measurement data that may call for caution about their use. A specific reason in certain countries with limited professional capacities is the artificially-maintained knowledge and information monopoly of assessment specialists. Since assessment data both at the national and local levels has become an increasingly influential policy tool, specialists are not necessarily interested in sharing information by making it public.

To summarize, the extent to which the dominance of applied instruments really matters is in the setting up of the expectations towards schools in an unambiguous and easily decipherable way. As we have seen, external evaluation is less appropriate for making these expectations dominant; not only because it takes a lot of time to build up, but also because the supportive and developmental role of inspection prevails in all of Europe. (Recently, even OFSTED stopped publishing the list of schools falling under the categories of outstanding, good, satisfactory, or inadequate.) Therefore, what seems more effective is setting expectations by standards, and making the standards a dominant instrument by publicizing performance assessment data.

Targeted Active Intervention

If the publicity of quality evaluation information has a giant effect on local accountability relationships, the question arises: why do we also need to consider more active intervention? The answer is again very much contextual. There might be several education systems in which indirect and untargeted intervention will not ensure the required level of accountability or generate sufficient demand for organizational learning for various reasons. The most important ones are the following:

- Beyond the available information, there are several things that influence the behavior of parents and self-governments. (For example, parents are not necessarily the most satisfied with the best-performing schools.) In addition, if parents leave the school, that does not solve the school's problems. Several times the opposite happens; just like in the case of “white flight,” when non-Roma parents remove their children to another school if the proportion of Roma students reaches a certain point.
- The relatively low or average performance of certain education systems by international comparison can be explained by the large performance differences

within the system. In these systems (Bulgaria or Hungary) the variance of performance differences among schools are much greater than the international average. In these cases, an effective policy aimed at improving the performance of the entire education system is targeted development of the underperforming schools. Targeted intervention connected to quality evaluation results might be very instrumental in “elevating the system” from the bottom.

- Not independent from the previous point, there is a side-effect of publicizing evaluation data that should be counteracted. Large performance differences within these countries are generated by the extremely selective character of their education systems. The power of the publicity of performance data would even increase selection; therefore, using external evaluation and the improvement of low-performing schools is essential.
- In most of South Eastern Europe the socio-economic and socio-cultural background of students imposes a very strong impact on their results. In other words: the capacity of schools to compensate for the negative impact of social disadvantages on learning is rather weak. Again, improving this capacity can be expected from the targeted development of schools providing poor-quality service.
- Setting unambiguous expectations towards schools and strengthening the impact of these expectations through dominant instruments does not improve the capacity of schools to solve their problems independently. The question is the extent to which schools can become competent to ensure the professional accountability of their own teaching staff and to what extent they are able to transfer these external expectations. These may require more than delivering strong messages.

Bearing in mind all these considerations, it is worth mapping out the possible toolkit of active intervention. In this respect, we should think in two dimensions: the *basis of intervention* might be external quality evaluation or external assessment of the performance of students, and the *method of intervention* can be developmental or incentives. In the first case, the emphasis is on the support that is provided to the developmental efforts of the schools; in the second case, generating momentum for development (by punishment or rewards) is emphasized. Of course, in both respects there might also be combinations. Evaluation-based intervention schemes are more likely to use developmental methods, while assessment-based systems are more easily connected with incentives; nevertheless, there are examples of any variations of the two dimensions.

Table 12.2
The Basis and Method of Intervention

Basis of intervention	Method of intervention	
	Developmental	Incentive (punishing-rewarding)
External evaluation	Mandatory development planning on the basis of self-evaluation	Additional resources serving school development (money, counseling, etc.)
Student performance assessment	Supplementary services for underachieving students (mentoring, catching-up programs, etc.)	Performance-based financing

Identifying the *target group of intervention* was already discussed in the previous sections, and in this respect, external assessment of the performance of the students appears to be the most appropriate. As far as the *content of intervention* is concerned, it is not obvious that testing provides the best point of departure. As it was indicated, consequences connected to assessment are rarely tailor-made. Dealing with schools as “black boxes” does not allow for adjusting the intervention to the unique institutional circumstances that explain poor performance. The approach behind test-based accountability systems is a kind of economic rationality: if a business organization goes bust, it does not happen without reason. Development of an organization that is on the decline contradicts this economic rationality. However, the problems of public services, especially education, cannot be dealt with according to this logic. The “nearest” school and the principle of easy access to educational services are protected in all countries. This is the problem that external evaluation can handle; it is capable of identifying school failure and revealing its reasons at the same time, because it covers all possible relevant deficiencies of quality. Intervention based on the results of external evaluation is less standardized and much less easy to manage but offers a higher probability of success.

If the intervention is based on *student performance assessment*, it almost automatically assumes that such intervention can be standardized. This is the basis of all intervention methods when the consequences connected to poor school performance are built into the financing of schools. There are two constraints on this logic that should be mentioned here. First, there is no shortcut between financing and school performance: more money does not result in better performance. Second is the problem of financial consequences that almost always strengthen the negative side-effects of test-based accountability, such as test result inflation. In addition, if identifying school failure is based on the publicity of assessment data aggregated at the level of schools, there might be scant need to use additional incentives. (It would be detrimental, especially in a transition period, during which the actors of local accountability relationships learn how to coexist with

the fact that the effectiveness of schools is made visible to everyone.) Another question is that whatever the method of intervention is, it has additional costs beyond the basic financing of schools. These resources may allow for using financial incentives, but they should serve for the motivation of teachers.

Developmental intervention may address schools, and also certain student groups. For example, a widely used developmental intervention instrument provides supplementary educational services to disadvantaged students learning in poorly performing schools. Due to the individual and tailor-made character of these services, mentoring or catching-up programs proved to be effective in improving the achievement of the students who were involved. Other instruments, such as transferring students to other schools out of the school district did not result in any documented improvement (Rand Corporation 2007).

Since school failure can be explained by many different aspects of quality, developmental intervention based on *external evaluation* follows a procedural logic. Therefore, in this case the modus operandi of external evaluation is standardized, though its content and methods are much less so. The basis of intervention is a development plan that schools are obliged to create. The implementation of the development plan is monitored and there is a follow-up evaluation made at the end of the development cycle. This system requires serious school improvement knowledge both on the side of the evaluators and the schools.

There are countries where external evaluation itself is considered the instrument of intervention. For example, in the United Kingdom, if inspection reveals weaknesses, then there is a follow-up evaluation in the next year that addresses only the areas that were previously found to be weak. Beyond enforcing and informing school improvement, in the case of failure of mandatory school development, most European inspectorates have stronger instruments at their disposal. These instruments might be very different: suspending the management of the schools and placing the schools under external control (Britain), withdrawal of the accreditation and certification rights of the schools (Flemish Belgium), calling the minister to apply sanctions (Scotland), etc. However, most European inspections consider the actual use of these sanctions a failure; thus, they are only applied in extreme cases. These sanctions are rather used as a “sword in the scabbard”: they exist but are rarely used. These sanctions should not affect the failing schools only; they should transfer an easily decoded message to all schools.

Clearly, the intensity of intervention follows a sequential pattern in general: in the case of the failure of the first intervention with weaker consequences, then stronger instruments are used. It applies to interventions based on testing and on evaluations, too. The difference among the different levels of interventions can be grasped along two axes: (i) how large is the subversive effect of the applied intervention measures on the everyday operation of the schools, and (ii) how much are the necessary changes designed and implemented by the staff of the school itself? The typical instruments

used independently or in a “package” in the two major types of accountability systems are summarized in Box 12.1 As can be seen, the intensity of consequences in the case of mild, moderate, or strong consequences is rather different in the United States than in Europe: what is considered to be “moderate” in the USA is already a final and radical sanction in Europe reserved for the cases of complete failure.

Box 12.1
Interventions in Failing Schools

Intensity of intervention	Basis of intervention	
	Consequences connected to external assessment (USA)	Consequences connected to evaluation (Europe)
Mild consequences	Mandatory school-based planning, external expert support, training, intensive and organized involvement of the parents, mentoring for underachieving students, supplementary financial resources or the withdrawal of certain financial resources.	Recommendations or instructions on the basis of external evaluation that are to be applied in school-based quality management.
Moderate consequences	Increased instruction time, “school audit” by external experts, implementation of a school reorganization plan, recommending other schools for the students, constraining the autonomy of the schools, replacing the director of the school.	External evaluation obliges the school to develop a development plan (action plan) that should contain the goals to be pursuit.
Strong consequences	Replacing the (almost) entire teaching staff and the management of the school, an authority takes over the management of the school, the closure of the school.	Evaluation leads to disciplinary sanctions that are put in force by the inspectorate or other authorities. These may address the management of the school or the whole school. Possible sanctions: reducing financing, withdrawal of the right of issuing certifications, levying a fine, dismissal of certain actors
—Spreng 2005, Eurydice 2004		

The Accountability of Accountability Systems

Finally, there is one aspect of accountability systems that should be briefly indicated: its very own accountability. Obviously, the instruments of quality evaluation are very complex and require a high level of professionalism and the application of an increasingly sophisticated methodology. This matter raises a specific dilemma. On the one hand, in a decentralized education system, quality evaluation is too important to be left at the mercy of specialists. On the other hand, ensuring professional legitimacy of the tools that are used in the course of any type of quality evaluation is essential; somebody should guarantee the reliability and validity of these tools and that of the data produced by quality evaluation. Meeting both requirements calls for a balanced system with the following five key elements:

- *Evaluation policy mechanism*: operating a quality evaluation system requires a high level of strategic guidance and policy coordination. However, the credibility of the tools can be guaranteed by independent organizations—independent from political influence or from the influence of interest groups. The function of an evaluation policy mechanism is to exercise professional control over the system without constraining the responsibility of policymakers in setting the overall goals. (For example, it can be performed by an Evaluation Council composed of members who are selected in a way that avoids any conflicts of interest.)
- *Suitability verification*: the standardization, testing, and regular fine-tuning of the instruments used in external assessment of evaluation, methodological support, and the development of the instruments.
- *Internal professional publicity*: since quality evaluation is not an academic but rather a governance matter, the applied methodology is not the private business of experts. Therefore, open access should be ensured to all methodological aspects of the operation of quality evaluation instruments of any kind in order to eliminate professional information monopolies.
- *Program and policy evaluation*: independent program and policy evaluation is able to provide feedback on the impact of any quality evaluation related initiatives or measures. A specific field of evaluation is meta-evaluation: academic or practical purpose professional reflection on evaluation itself.
- *The capacity of end-users to interpret quality evaluation information*: the audience of the information provided by quality evaluation consists of various professional and non-professional groups: parents, politically elected decision-makers, professional staff of authorities, teachers, etc. All of these groups should be prepared to interpret the information and use it for planning and decision-making.

CHAPTER 13

Professional Services

From a narrow management point of view, the matter of professional support services may seem to be a secondary problem. However, from a wider governance perspective, decentralization makes professional support services an outstanding challenge. As the previous chapters of this reading may well demonstrate, decentralization increases expectations of teachers and schools to a huge extent. Obviously, without appropriate professional support, setting overwhelming demands on schools would be unfair, and what is even more problematic—it would be not realistic at all.

13.1 Support Services in Centralized Education Systems

Professional support services in education are not determined by the agenda of the services providers, but by the demand for support originating from the work of schools and teachers. The consequence of this rather trivial statement is that the extent to which a diversified, specialized support network exists, with the potential to reach out to all schools, mainly depends on the tasks that are deployed to schools. For example, deploying mandatory self-evaluation to schools generates demand for counseling; a policy emphasis on gifted children generates demand for art and music education services, etc.

In highly centralized education systems, the scope and diversity of the activities of schools rarely goes beyond the delivery of lessons. This is the most important underlying reason for foreign observers finding the supply of professional support services very poor in all centralized education systems. The two major characteristics of such systems are the following:

- In fact, the only support service provided is in-service teacher training because the government artificially generates demand for it by prescribing mandatory participation.
- Due to the lack of the “own agenda” of schools, the service is provided by public providers whose work and program are almost completely determined by the agenda of the central government.

In short, *in centralized education systems the low expectations towards the schools are matched with low support*. In Part Two we have seen how the majority of schools in South Eastern Europe—and in a few other European countries—are barely more than the buildings where children are gathered because the teachers deliver their lessons there. This type of school does not generate demand for any external support, partly because teachers “know exactly” how to deliver lessons, partly because the success or failures of schools are not visible at all. What flows from this is a support system, in which the suppliers are funded and not the service, services are not quality assured, and their impact remains extremely limited because of the low absorption capacity of schools. There are several international donor programs investing heavily into the development of support services in the region, mainly into in-service teacher training. However, increasing the institutional and professional capacity of service providers (i.e., the supply side) only leads to increasing participation in capacity building programs that are important for somebody else outside the schools.

The two most important features of in-service training systems in South Eastern Europe are that they are neither *separated* nor *integrated*. In several countries a large proportion of capacity building programs are provided by inspectorates (e.g., in Bulgaria or in Romania), by the advisors of central institutions (e.g. “*savetnici*” of the Education and Teacher Training Agency in Croatia, the same people who are—in theory—also in charge of the external evaluation of schools), or by university professors. All these people are not professional trainers; they are experts of various fields, most typically subject specialists. Therefore, their methodology is outdated, the training they provide in most cases is not more than one to two hours of lecturing on issues that they find important. Since change is not a perpetual business in schools, it is not that surprising; there is very little to adjust to. In Croatia, even the Ministry of Education has no stake in determining the themes addressed by in-service trainings; it is completely ruled by the advisors that make even the policy relevance of capacity building questionable.

The lack of integration within the in-service training system means that the capacity building services of various suppliers are disconnected. The training programs provided by regional pedagogical centers (Bulgaria) or by NGOs in all of the countries are not integrated into the mainstream “official” systems. There is an officially issued catalogue of available programs in Serbia and Croatia. However, in Croatia, for example, it is rather accidental which NGO program will be incorporated into the catalogue. (It largely depends on the actual lobbying potential of the NGO or the international donor agency that offers the program.) Generally speaking, with very rare exceptions, only NGO-provided programs apply innovative approaches and use appropriate training methods. This creates a kind of double system of in-service training within which the more innovative segment hardly influences the traditional one. The only attempt to integrate the different segments was the establishment of an in-service training ac-

creditation mechanism in Serbia in the last decade. In Bulgaria, an additional obstacle to the modernization and professionalization of the in-service teacher training system is its rigid interlocking with the framework of teacher career development system. (It is called a “qualification system,” but it is a progression scheme on a salary scale on the basis of somewhat artificial criteria with only symbolic salary increments.) It creates the rather unique situation in which any in-service participation related measures are based on the national collective agreement that has been developed in a bargaining system with extremely strong trade union mandates.³⁴

The in-service teacher training system does not invest in the development of programs. Not only because of the lack of quality requirements that programs should apply, but also because the system is completely based on public funding of the operation of the suppliers. If there is any investment into program development, it is based on the charity of international donor agencies. Therefore, the resources available for the training “market” will remain very limited despite the efforts of international donor agencies.

Something similar applies to support services provided to students. Centralized education is a teacher and teaching-centered system; therefore, what matters are statistics and not the individual student. In addition, due to the centralized financial allocation system, those students whose specific educational needs are obvious are taught in separate schools. Therefore, the services that are provided to these students are typically in-house services. On the other hand, schools being funded on a “historical” basis in South Eastern Europe, especially in the countries of the former Yugoslavia, they are extremely generous in financing the employment of various specialists for the schools. For example, in Croatia, the staff of schools includes a large number of “expert associates” (*strucni suradniki*). These specialists are pedagogues (*pedagog*), teachers of special education (*defectolog*), psychologists (*psiholog*), logopedists (*logoped*). Also, schools can employ expert associates who are health and social workers, as well as librarians. This system has two characteristics that make the professionalization of the service they provide very hard: since they are part of the staff, the relationship between them and those whose work they support is not a clear service provider–client relationship. Also, they do not have the institutional background that is essential to ensure their knowledge base and their specific own professional development. (A school is not designed to accumulate knowledge on the specific service these specialists provide.) In theory, this setting has the advantage of bringing the specialist closer to the teachers whose work they support. However, it has certain negative side-effects, such as closing their expertise into a ghetto within the school. For example, subject teachers do not deal with pedagogical methodological problems because “it is the job of the pedagogist.”³⁵

13.2 General Overview of Professional Support Services

In general, the only common feature of professional support systems is their extreme diversity in relation to their all relevant aspects: the types of services provided, the way how these services are institutionalized, and—as a result—the way how they are funded. For example, the extent to which certain services are developed very much depends on the policy priorities of the government and on the actual problems that schools have to solve. As a general pattern, it can be said that the more decentralized an educational system, the larger the role that non-public service providers will play.

Due to the diversity of professional support systems, it is hard to offer a taxonomy of the various services. They can be grouped according to the *clients of the services*; there are services provided to self-governments (e.g., assessment or school audit), to schools (e.g., training and counseling in quality management or school supplies), to directors (e.g., coaching or training), to teachers (e.g., training on methodology or on ICT), or to students (e.g., social aid or mentoring). In several cases, there are multiple clients; for example, an advisor working with a group of teachers on self-evaluation may support the director simultaneously.

A possible basis of classification might be the *type of activity to be supported* and that in several cases overlaps with the identification of the clients. However, since services are determined by the activity that they support, this approach is much more accurate. The most typical activities that generate demand for external expert support are planning and management (at any level), organizational activities in schools, teaching, and learning. However, there are certain external support activities (often called development, but sometimes provided on a regular basis) that are connected to specific single issues, such as special needs inclusion, inclusion of immigrant or Roma students, health education, democratic citizenship, or environment. These developments often combine various types of services supporting various activities of various clients.

Another possible way is to classify the services according to the *type of their provider*. There might be service tasks performed by government-owned public providers, such as an institute maintained by the ministry with regional branches or a government-owned network of training centers. Also, there are public service provider agencies owned and operated by self-governments, such as a network of county pedagogical institutes or pedagogical support offices operated by municipal self-governments. Apart from these public providers, there is a wide range of various organizations that offer professional services: nongovernmental organizations, business organizations, higher education institutions, professional associations, trade unions, and schools providing services for other schools. The typical pattern is a mixed model in a decentralized education system in which the diverse support needs of schools can be best served. Professional service systems with very different types of providers sometimes ensure better conditions for public providers (e.g., by ensuring financing for operational costs), but there are other

systems that are completely sector-neutral, avoiding giving a market advantage to any of the actors. For example, some countries—instead of maintaining support agencies—contract out even genuine public services via an open procurement process. In mixed professional service systems, the most important question is where to draw the line between services that are publicly funded and those that are completely marketized? In other words: what are the services that states are obliged to ensure within any kind of financial construction? Also, there are certain expert services that are considered to be administrative tasks, while in another country it might be considered as professional support; one example for this is the work of expert committees that provide their expert decisions on enrolling children into special needs schools or programs.

An additional aspect of the actual way the different services are provided is the “historically” developed division of labor between external service providers and schools. There are certain services, such as social work, that are considered to be part of the work of schools, while in other countries it is not the business of the staff of the schools at all. For example, in the Netherlands, all children eat what they bring from home, while in Hungary all schools have a cafeteria where lunch is provided to the students.

13.3 Main Types of Professional Support Services

There are certain professional support services that are provided in almost all of the European countries regardless of the actual pattern of service provisions. Without claiming even the appearance of completeness, the list of the most typical service types is the following:

- *In-service teacher training.* In-service training (INSET), often called continuing professional development (CPD), is considered to be part of the mandatory tasks of teachers. Being public employees, teacher’s training is also directly (supply-driven systems) or indirectly (demand-driven systems) ensured by the state. In six European countries, participation is optional but linked to career advancement; in all other countries it is either mandatory or strongly encouraged. In most European countries, participation is based on planning either at the central/local level or in the schools. In several European countries, it is compulsory to develop INSET plans as a part of the school development plans.
- *School management training and coaching.* As it was discussed already in this book, the expectations towards school directors, and by default, the requirements of holding this position are increasing. As a result, the in-service training for directors becomes increasingly similar to that of teachers.
- *Counseling for teachers.* Teachers may need support in a wide range of matters in relation to the subject they teach or teaching methodologies. Although this type

of support is often provided by inspectors or arranged within the schools, several countries operate a network of advisors who teachers can consult. Counseling is often connected to an innovation project or to specific problems that teachers face, such as behavioral problems of children.

- *Assessment.* Several schools are establishing their internal school-wide assessment systems with the support of external assessment specialists. Also, specialists often support teachers' own pedagogical assessment practices. The assessment support can be remote, such as online "item banks" or "test banks," from which teachers can download and construct their own assessment instruments.
- *Content development and application.* As the role of textbooks has declined, the importance of offline and online services offering alternative "raw material" for teaching and learning is growing. Digital databases of "learning objects" for various subjects are becoming especially more popular among teachers. Since constructing content is a new task that teachers perform, more active professional support is also offered to teachers in certain countries.
- *Infrastructure and professional support in extracurricular activities.* There are various extracurricular activities (e.g., camps) that require special facilities. Very often not only the facilities are offered to schools but also the learning programs are provided by the trained staff of the facilities, such as in the case of "museum" pedagogy.
- *Innovation.* While quality management is "doing the same better," innovation is about "doing something new." Any educational innovations require external support, not only in relation to the "content" of the specific innovation, but also for its adaptation and application. Experts supporting innovation projects are typically specialists in managing school or classroom level change.
- *Parent/family involvement.* In countries where parental involvement is heavily emphasized, various organizations offer support to organize activities that encourage parents to support their children's schooling.
- *Resource centers, libraries.* Certain services do more than simply ensure the supply of school libraries or separate resource centers with books or other resources. They often provide support for the better use of such facilities for learning.
- *Induction support to new teachers.* In most countries, the induction of beginner teachers is the task of the schools. However, special advisory support is made available to them in only a few countries.
- *Mentoring, tutoring, correpetition.* Mentoring is a typical support offered to students. Although in most cases it is the regular or extra task of teachers, it is often available for students as a service outside the school. The support that

mentors provide is often more than academic help; they often help children to overcome personal problems, improve their study skills and examination techniques, strengthen their self-esteem, etc. In several countries, this type of support is not institutionalized at all, because it is part of the “shadow economy” of education.

- *Guidance.* These are programs or support services that provide advice and guidance for students who need assistance in choosing the program of further studies that is suited to their abilities, interests, future plans, and general circumstances.
- *Disabled student services.* Provisions that provide special assistance for students whose visual, hearing, or mental disabilities would prevent them from obtaining education without support services. Disabled student services are especially essential if children with different disabilities are taught in integrated settings. In these cases, working with teachers to strengthen the inclusive character of their work is of outstanding importance. At a certain point of inclusion, special-needs schools that had been segregated then changed their primary function and became support service provider institutions in many countries.
- *Special needs support.* These are all sort of provisions that provide diagnostic and treatment services which combine psychotherapeutic and tutorial techniques for students who have learning disabilities, dyslexia, perceptual problems, emotional problems, or other difficulties that interfere with their ability to learn. External service providers work directly with children and, at the same time, support the work of their teachers.
- *Support to gifted children, art and music education.* Supporting children with any type of talent is a high priority in all education systems. Apart from talent programs in schools, external support networks are established for this purpose in several countries. A network of art and music schools often provides classes for children.
- *Non-educational (social, health, etc.) services connected to education.* In education, social workers are supporting those children whose education is affected by irregular attendance or absence from school. In most cases, they also serve as a liaison among families, teachers, social officers of local authorities, health organizations, etc. Also, schooling is very often connected to primary health services, such as regular student medical or dental checks.
- *School supplies.* Various business organizations specialized in supplying schools with textbooks, notebooks, classroom furniture, pencils, calculators, or any other essential educational supplies. They are mentioned among professional services because supplying schools requires specific educational knowledge.

Box 13.1

The Pillars of a Possible Demand-driven In-service Training System

- *Mandatory participation.* In most countries, teachers are obliged to participate in in-service training. This mandate is typically determined as a required (minimum) number of hours to be accomplished within a certain period of time. (For example, in the United Kingdom, the minimum participation prescribed is 35 hours per year, in Hungary it is 120 hours in seven years.) If these requirements are not realized, teachers often face serious sanctions.
- *A free market of in-service training provisions.* Establishing a free market of services has the advantage of making the supply of training responsive to the demand generated by the capacity building needs of the schools and channels in private resources to the development of training programs.
- *Quality assurance of the training market.* Government agencies are running in-service training accreditation mechanisms. The agency may accredit training providers (licensing), individual training programs, or both. There might be additional tasks performed by the agency, such as an information service, monitoring the training market, evaluation, piloting or developing programs, or methodological support to training organizations.
- *Allocating resources for in-service training.* In demand-driven systems typically the clients of in-service training services (i.e., schools) are supported in order to stimulate the market. Supplementary financial resources can be incorporated into the regular allocation system on a normative basis calculated according to the number of teachers. The state budget support for in-service training is typically earmarked. School may use any additional resources for training services, but public money can be spent only on accredited programs.

There is one specific matter that is worth mentioning in relation to the above kinds of professional support services. Almost all of these services are high value-added activities provided by highly-trained specialists. Ensuring the knowledge base of their work (e.g., connecting research and service provisions, collecting and disseminating good practices, ensuring mutual learning, and the exchange of experiences in conferences, etc.) is essential. As the professional service industry is growing in Europe, national educational and pedagogical institutes are working less and less with schools directly and focusing on the support of the many thousands of people who are working with schools and teachers.

CONCLUSIONS

The New Pattern of Governance

The New Pattern of Governing Education

What is the pattern of governance that unfolds from the overview of the five decentralization-relevant functional governance instruments? The transformation of the role of central governance agencies, that is, from administrative management to strategic steering, as well as the conditions of effective strategic steering, were discussed in Chapter 4. In Part Three, how most of these conditions fit to the decentralized functional governance instruments was outlined, too. The question here is the entire construct of governance that applies to all these instruments.

An education system can be governed any which way; but governing the system in a way that ensures that the expectations of the governors are taken up in the schools and classrooms is very difficult. So far, the most important conclusion is that all these systemic mechanisms must be interlocked in order to ensure this. They have to add up to an environment within which schools are driven through the perpetual cycles of organizational learning for the sake of improving the learning of students, and they should be properly supported to do so. Thus, ensuring organizational learning in schools has five major systemic conditions: (i) setting high expectations by determining easily interpreted goals, (ii) empowerment, that is, ensuring the necessary autonomy for the sake of performing mandatory organizational duties, (iii) quality evaluation and feeding back information about the successes and failures to each individual school, (iv) making the necessary professional support available, and (v) ensuring professional accountability by intervention in case of poor quality and performance (Radó 2008).

The effective decentralized governance system is made up of the combination of high expectations, empowerment, solid support, and professional accountability; if any of these elements are missing, the effectiveness of governance declines. In addition, as was emphasized several times, the individual instruments designed to ensure any of these requirements are to be properly harmonized and connected. What matters is the whole construct of governance, not necessarily the individual instruments alone. If a new instrument is incorporated into the governance system, or if any of them is modified, it has implications for all other components. For example, when the prime minister's Delivery Unit was established in the UK in 2001 to monitor the progress on the delivery of the key priorities of the government in education, health, crime, and transport,

the context within which inspectorates were operating had already rather dramatically changed. Therefore, the potential spillover of changes should be deliberately considered and built upon. However, the opposite conclusion might also be valid: it is important to consider using “system-compatible” instruments that fit well with all the others. (In the case of the last example, the intention was to reconstruct the context for others, and the “incompatibility” was purposeful.)

Figure C.3.1
The Systemic Conditions of Governing Decentralized Education Systems



In the previous chapters, almost the entire toolkit of contemporary governance systems was briefly reviewed. However, the number of European countries that deploy all of them is limited, although most of them strive to ensure that all of the basic functions are performed. When selecting the targets of systemic development, answering certain questions may help to determine the most urgent functional governance instruments to be built. The first question is how big is the pressure to adjust? In other words: can we imagine the improvement of the system’s performance (i.e., generating organizational learning development established in schools), without heavy investment into the modernization of governance? For example, in Finland or in Sweden, where schools are able to produce high performances without major systemic changes, this need is rather

limited, even if in the light of the previous chapters, their governance system may appear to be “incomplete.” However, in Bulgaria or in Serbia, where we are witnessing a dramatic decline in PISA results, major systemic change in all relevant governance areas seems to be inevitable.

Another orienting reference might be the extent to which performance differences among various segments of the education system exist. For example, in Bulgaria, this matter may call for investment into those accountability mechanisms that have the potential to improve the performance of underachieving schools. Even in Central Europe (e.g. Germany, Austria, Hungary, etc.), where the average performance of education systems is higher than in South Eastern Europe, large performance differences among schools are forcing governments to reconsider how the systems are governed.

The decentralized governance system that was outlined so far in this reading requires many new personal, procedural, and organizational competencies. Many of these competencies are developed according to the reliable “learning by doing” pattern: individuals and organizations find themselves in new roles and learn how to perform it. However, these changes require deliberate investment into these competencies. But even more essential is operating a governance system that is able to learn.

Finally, the last question is: why do it? Decentralization does not leave any of the major components of governance systems untouched. In the course of decentralization expansive and sophisticated systems are to be built that impose a large adjustment effort on the side of all actors in education. All major steps definitely cause a temporary “decline of order” that carries the risk of discrediting the underlying intention of the changes, as happened several times in South Eastern Europe. Also, it inevitably leads to a temporary increase of the number of people who will feel they are losing a lot—for good reason. For example, the accumulated experience of whole generations might be devaluated. The question whether it is worth the risk should be answered. One of the possible answers is that it is worth to undertake all these risks because decentralization will result in improved learning outcomes.

However, we should be aware that it does not happen automatically. In fact, sometimes even the opposite occurs; for example, in the first part of the 1990s, the measured learning outcomes were declining in Hungary and the performance of the system was stabilized only in the last third of the decade. This phenomenon can be best described as the systemic equivalent of the implementation dip; initiating major changes leads to the temporary decline of quality and effectiveness before the operation of newly established mechanisms are stabilized and fine-tuned. (Small signs in the improvement of the students’ performance suggest that Hungary has already passed the period of the systemic implementation dip.) Therefore, what realistically can be expected is that *decentralization creates a systemic environment within which improving the learning of students is possible*. In other words: systematic investment into the contemporary instruments of decentralized governance is about creating a favorable environment for

development (Radó 2004). Having many ministries of education that are watching the decline of quality and effectiveness of education without having any effective means at their disposal to do something, is a powerful argument in itself.

SUMMARY

Summary of the Key Points of Part Three

In the course of decentralization, all components of the systemic environment of the education service delivery institutions should be adjusted to the required change of the work of schools and their staff. The key points of Part Three in relation to the adjustment of the five relevant stands of decentralization are the following:

- ▶ The framework of decentralized public services management is a map of local accountability relationships. It includes the short route of accountability between the clients and the education service provider institutions, and the long route of accountability, in which local self-governments transfer the voice of citizens to their service provider institutions through the compact that determines the major parameters of the work of schools.
- ▶ Both routes of ensuring accountability have certain shortcomings. The two contemporary prevailing schools of public management address different accountability-related problems: New Public Management is striving to overcome the shortcomings of the long route of accountability by strengthening the power of clients, while New Public Service aims at solving the problems of quasi-market relationships by improving the functioning of the long route of accountability.
- ▶ A decentralized system that focuses on local management relationships overwrites the latitude of central governance; most of the means designed to influence the work of the schools directly are to be replaced with indirect means of working through other actors in local accountability relationships. The primary aim of the governance of education is to influence two connected management cycles: the management of schools and the management of local school networks.
- ▶ Governance should operate with intelligent instruments that easily adjust to the diversity of local and institutional contexts. Also, governance should use dominant instruments that have the potential to overwrite or change certain components of the local context. In both respects, building multilevel and well-connected systems of consultation, planning, and development are essential.
- ▶ The largest proportion of the recurrent costs of educational services is spent on the salaries of the teaching staff of schools. Therefore, the three main factors that determine per student costs in education are the level of the compensation of teachers, the labor intensity of the service provided, and the amount of money spent on other

educational inputs. These three factors sketch out quite different financing profiles of the education systems in South Eastern Europe.

- ▶ In contrast to the centralized financial allocation systems of most countries in the region, fiscal decentralization may create an allocation system that has the potential to ensure the efficiency of financing and can adjust to the very diverse specific costs of educational services in different schools. Although due to demographic decline, ensuring efficiency is on the policy agenda of almost all the countries in the region, the only country that made serious fiscal decentralization steps is Bulgaria.
- ▶ Since the instruments of human resource management at the national level compose an extremely fragmented system, within which creating strategic coherence is very hard, all of them should focus on ensuring the necessary conditions for a coherent and complete human resource management regime within the schools. One of the critical elements of such a regime in schools is the introduction of a differentiated compensation scheme for teachers that is well connected to other elements of human resource management.
- ▶ The content regulation system serves three major aims: determining goals for lower-level actors of the management of education, influencing how autonomous actors set their goals, and influencing the actual content of the teaching-learning process. The major components of content regulation are input and process regulation instruments (curricula), output regulation instruments (standards), the instruments of the qualification system, and the instruments that better connect other content regulation tools with the provision of services.
- ▶ The mainstream direction of international trends in education is curricular decentralization and extensive use of output regulation instruments (i.e., centralization by outcomes). This trend has a major impact on the function and design of curricula and increases the weight of those instruments that mediate between learning-outcomes targets and teaching and learning in the classrooms. Also, qualification systems are becoming increasingly based on learning outcomes (“competencies”).
- ▶ Content regulation in primary and secondary education is a fragmented chain of interpretations; therefore, content regulation instruments should not be designed to be directly “implemented” in the classrooms. The outcomes of interpretation by different autonomous actors (e.g., textbook publishers, schools) should be quality assured. All of the South Eastern European countries operate more or less centralized content regulation systems.
- ▶ Quality evaluation systems in education are parts of an overall performance management system: evaluation of any kind should be based on the goals set for education, and any poor quality and ineffectiveness that has been identified should be followed

up by intervention. Quality evaluation systems have three major pillars: the assessment of the performance of students, the external evaluation of schools, and the information system of education. An indicator-based information management and reporting system can integrate the three components of quality evaluation.

- ▶ Quality evaluation should serve two major aims at the same time: supporting organizational learning in schools and ensuring professional accountability of education service providers. At the level of the individual instruments, these aims are rather contradictory; they either serve support or accountability purposes. Therefore, the whole quality evaluation system should be operated in a way that balances the two aims.
- ▶ There are performance-based and quality-based accountability systems. Performance-based systems operate by testing the achievement of performance standards and connect poor results with certain consequences. Quality-based systems integrate performance standards as one aspect of quality and the consequences of poor quality are connected to the results of external school evaluation (inspection).
- ▶ Bearing in mind the strengths and weaknesses of both types of accountability systems, in the South Eastern European context the most appropriate setting appears to be one that identifies poor performance on the basis of external testing that is then followed up by targeted and developmental intervention based on external evaluation. Building up this accountability mechanism from the somewhat old-fashioned and ineffective systems requires systematic investment and time in all the countries of the region.
- ▶ The scope and the level of diversification and differentiation of professional support services that all actors of education service delivery consume primarily depends on the demand that the schools' activities generate. In South Eastern Europe's centralized education systems, professional support is demand-driven, hardly offers more than relatively ineffective in-service training, and the support systems are typically neither separated nor integrated.
- ▶ The pattern of governance that unfolds from all these points if based on five major systemic conditions: (i) setting high expectations towards schools by determining easily interpreted goals, (ii) empowerment, that is, ensuring the necessary autonomy for the sake of performing mandatory organizational duties, (iii) quality evaluation and feeding back information about the successes and failures to each individual school, (iv) making the necessary professional support available, and (v) ensuring professional accountability by intervention in case of poor quality and performance.

PART FOUR

The Implications of Decentralization: Policymaking

CHAPTER 14

Governance and Educational Policy

Decentralization of the governance of education completely reshapes the context within which educational policies are made and implemented. From a governance point of view, this is the most important implication of the decentralization process. On the following pages, in spite of the large pool of experiences about the few successes and the large number of failures that was accumulated already, very little will be said about how educational policies are actually developed and implemented in South Eastern Europe. An in-depth analysis of policy processes in the countries of the region is beyond the scope of this book. Instead, a general conceptual framework will be offered about the key elements of policymaking in decentralized systems. Thus, the illustrations from recent policy practice will serve demonstration purposes only.

14.1 What Is Educational Policy?

Making the distinction between politics and policy is not easy due to the lack of separate words in most European languages. Therefore, the discussion on educational policymaking and implementation in decentralized education systems should start with a definition. However, since providing an overview of the large number of definitions produced by the literature goes far beyond the purpose of this reading, a definition (extracted from various attempts at definition) is offered here that is easily translated to the activities in the practice. *Educational policy is the use of authority and resources at the disposal of the governance of education to change or influence the behavior of the actors and institutions of education in order to solve problems.* If this definition is unpacked a little bit, there are already a few simple messages that it carries. First of all, educational policy is a public policy area, that is, it flows from the authority of constitutional governance and the political mandate for the use of public resources. The second message is the aim of policymaking: change for the sake of problem solving. Thirdly, policymaking is mainly an indirect instrument; it works through the changed behavior of others, such as teachers, parents, mayors, etc.

Having said all this about policymaking, we still did not make a clear distinction between *politics* and *policy* on the one hand, and *governance* and *policy* on the other. Indeed, these distinctions are rather ambiguous, and whatever is said in order to separate them, the difference that is created can be immediately blurred. For example, the above

definition suggests that policy decisions are per definition political decisions because it is hard to imagine policies that have nothing to do with the use of public resources, especially in primary and secondary education that is almost completely funded by public money. (If private money is matched with public money, regardless of its actual proportion, private money starts to behave as public money, too.) In very general terms, the distinction is partly constructed by the purpose: politics is per definition the acquisition and application of public power. In contrast, policy is about application of power for governance purposes. It is important to emphasize again: even if the actors of policymaking are not necessarily the same, the distinction is very much relative. For example, planning, negotiating, and approving the annual education budget of a country are political decisions. However, decreasing the central budget contribution to vocational training and increasing the allocation to general secondary education is a political decision with policy relevance, that is, a policy incentive to change enrollment patterns by influencing the decisions on the planning of vocational and general education capacities.

The same ambiguity applies to the difference between governance and policy, although they may appear to be identical after reading the previous chapters. A certain distinction with limited value is created by the fact that governance, in the great majority of cases, is about operating the system, while policy is about change. For example, the appointment of the head of the inspectorate when the mandate of the previous chief inspector expired is a governance decision; it is the condition of ensuring the continuity of inspection. However, if the new head is selected and appointed on the basis of his capacity to implement necessary changes in how inspection works (that might be even proposed by the selected person in his application), the appointment is a policy decision, too. Consequently, the difference lies in the distinction between routine administrative decisions and the decisions for purposeful change. Still, policy remains a part of the governance of education since the obligation to intervene in the case of problems flows from governance responsibilities.

Chapter 4 mentioned that making a distinction between governance and management in centralized education systems has limited relevance; the difference between the two becomes visible when management functions are deployed to lower administrative levels. The case of the distinction between governance and policy is rather similar, not because of their distinct functions, but because of their different instruments. Public policymaking is the function of governance in the first place. Therefore, the actual characteristics of governance determine the context within which policies are made and implemented and the instruments that are at the disposal of policymakers. In centralized systems where the instruments of administrative management serve for policymaking and implementation, the tools of governance and policymaking are not completely different. In decentralized systems, however, the indirect pattern of governance makes educational policies indirect, too. At the same time, policymaking gains relative inde-

pendence, partly because of the large number of participants who are not necessarily involved in the day-to-day operation of education systems, and partly because of the tools that are required to manage change that, again, are not necessarily used in the daily business of administration.

As it will be seen, policymaking in a decentralized education systems is a sophisticated art of change management on a systemic scale. But still, the focal point of policymaking is governance and management: the legal mandate deployed to the different governance and management actors determines their policy responsibilities. Therefore, it is not only the national level that makes and implements policies; all management actors that face problems that call for initiating any sort of change within the realm of their responsibilities are policymakers: local and schools' policies are no less relevant than those developed at the national level. Educational policymaking being a governance instrument, in decentralized education systems the general aim of policies is not different: at the national level policies influence the connected local and institutional management cycles, while local policies address the management cycles of schools. In the following pages we will concentrate on policymaking and implementation at the national level, because the full scale of underlying concepts and the possible instruments are relevant only at the level of governments. However, it is important to bear in mind that the same concepts and instruments apply at lower levels, although with certain limitations.

14.2 Approaches to the Policy Cycle

The policy process is widely considered to be a cyclical one. It contains various functions, stages, and steps, starting from placing a problem on the policy agenda till the evaluation of the actual impact of the implementation of those policies. In theory, and surprisingly quite often in practice, all policies build on the lessons learnt from previous policies, closing the loop. However, the way we understand, structure, and manage the educational policy process largely depends on our approach to it. With a mild risk of simplification, there are three typical approaches to the public policy process: the rational, the incremental, and the analytical ones.

The first typical approach to policymaking is often called the *rational model* of public policy (Hill 1997). This approach regards the policy process as a logical sequence of consecutive steps: policymaking is an algorithm, according to which one stage of policymaking is followed by another one in a rational order. Therefore, policymaking is a regulated process with a technical blueprint applied at each stage. This is the policy culture of “checklists” and technological descriptions of the steps of “high-quality” policymaking. For example, one of the most famous versions of this interpretation of the policymaking process is the “eight steps path” (Bardach 1996) that sets the following iterative stages:

- Define the problem.
- Assemble some evidence.
- Construct the alternatives.
- Select the criteria.
- Project the outcomes.
- Confront the trade-offs.
- Decide.
- Tell your story.

According to this policy model, policies are rational choices among possible alternatives. The emphasis in this algorithm is on the analysis and methodology of the design of policy and much less on the design of implementation.

On the opposite side of the spectrum is the approach to public policy often called the *incremental model*. According to this, policymaking always occurs in a messy and unpredictable environment, within which the various steps and actions do not necessarily follow any logical order. Sometimes goals are set before justifying them by research and analysis, while in other cases certain changes start to be implemented before any clear communication about the goals that the changes should serve. Due to the very nature of the context within which policies are made, rational choice and the algorithm of consecutive technological steps simply do not work. Instead, policies are constructed by incremental adjustments to the actual situation on the basis of “successive limited comparisons” (Hill 1997). In other words, in most cases policies are constructed on the basis of limited options and by ignoring most of the possible consequences, because they are based on insufficient information and cannot afford endless and costly analysis. Also, the underlying values that influence policy planning and decisions automatically limit the number of options that are even considered. As a result, goals are limited, too: instead of striving to create a future ideal situation in which problems are solved, policymakers keep returning to problems and attempt to ameliorate them. Therefore, the approach to the policy process based on incrementalism does not set technological algorithms that are to be followed; the only distinctive stages that are separated are policymaking and policy implementation, because in most cases—but not always—the latter starts when a formal decision that opens access to the mandate, for which resources are necessary.

What explains the difference between the two approaches is their relevance within certain contexts. In relation to the earlier difference between performance-based and quality-based professional accountability systems, the process of decision-making is rather different at the two sides of the Atlantic; in the United States, it is a genuine political process that requires a great level of procedural rationalization, while in the

countries of Continental Europe, public administration procedures prevail. Most policy decisions in Europe are made in ministries or government-owned authorities. How these bureaucratic machineries operate and their interplay with politics allows much more leeway to follow a rather incremental approach to the policy process. This difference is reflected also in how the support to policymaking is institutionalized. In the United States, providing policy relevant information, preparing alternatives, and supporting the actors of decision-making is done mainly by independent (but committed) think-tanks, political parties, or governments that rarely have accumulated their own institutionalized capacities for such support. In Europe, all these functions are regarded as government tasks; governments themselves operate those institutions that are in charge of preparing for decisions, or to channeling the necessary information and knowledge into the administrative decision-making procedure.

14.3 The Approach That Fits the Context

There are two reasons why the relevance of both approaches is rather limited in the east of Europe. First of all, in most of the Central and Eastern European and South Eastern European countries, none of these clear patterns of decision-making prevail. Policy decisions are mostly made through the administrative procedures of governments, but the relative detachment of governments from politics is weak and fragile; ministries depend on the political spoils system or on personal networks that appear to be constructed on a political basis. In several countries in Western Europe, the other reason for constraining the ambition of policymaking to an incremental level is a characteristic of normal everyday business in settled governance systems. However, the underlying assumption throughout this reading is the need of major structural and systemic changes in the South Eastern Europe. Even if the governance systems in South Eastern Europe will be decentralized, the scope of required changes must go beyond incremental changes for a long period of time. Managing changes of this scope and scale is impossible on the basis of a limited incremental approach. In addition, in an environment that is messy beyond the level of unpredictability in England or France, the rationality of the policy process very much matters.

Thus, the third approach that seems to be a better fit to the regional context is the *analytical model* of the policy process. According to this approach, the context within which policies are made and implemented does not allow for managing a rational process of consecutive steps. On the other hand, there are certain distinct functions that—even if not performed in a sequential manner—are to be separated, understood, designed, and managed. In brief, there are no policy steps to be followed, but there are policy functions to be performed. The underlying assumption of the analytical approach is that, in a diffuse environment, certain automatisms should be created that

ensure a minimum level of rationality in the process of addressing large-scale policy interventions.

The major distinct (analytical) functions very much flow from their very origin, the algorithm of applied problem solving: problem recognition, the proposal of solutions, the choice of a solution, putting the solution into effect, and monitoring the results. Although the policy process can be structured in many different ways following different theoretical or practical purposes, there is a widely-shared agreement on its key components. In Chapters 15 and 16, a distillation will be offered about each functional elements of the policy process (Hogwood and Gunn 1984, Dunn 1994, Haddad 1995, Colebatch 1998). The major distinct functions within the policy process are the following:

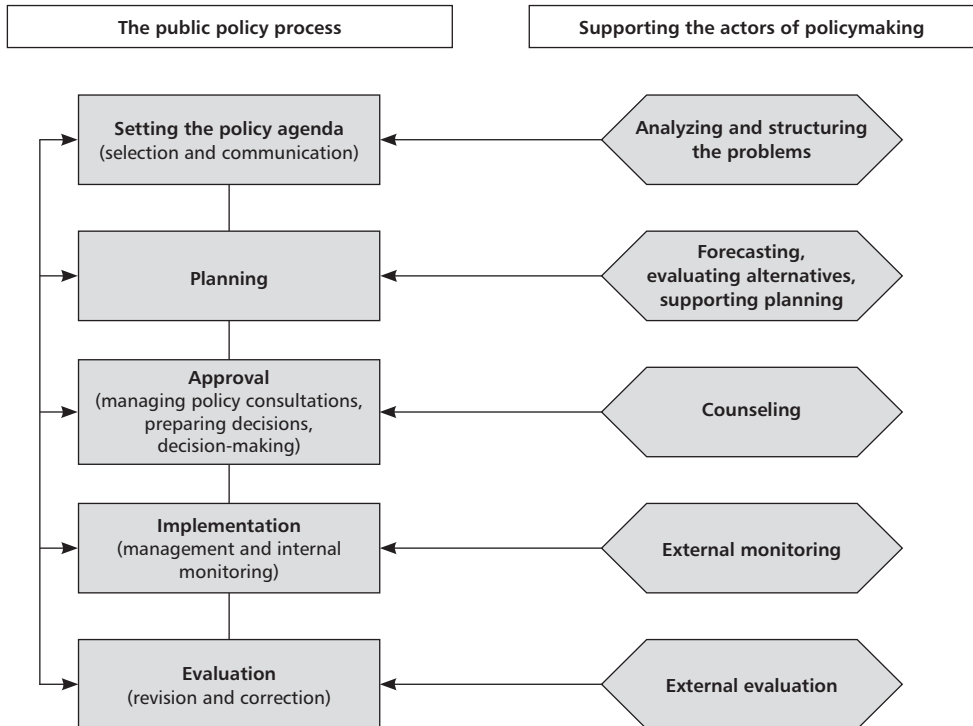
- *Setting the policy agenda*: identification, understanding, and communicating the problems.
- *Policy planning*: determining policy objectives and selecting policy tools.
- *Approval of the policy*: policy consultation/bargaining and formal decision-making.
- *Policy implementation*: managing the top-down and bottom-up implementation instruments, monitoring the implementation process.
- *The evaluation of policies*: gathering information about the impact of policies and feeding back the results to the players in the policy process.

As suggested earlier, in many cases, separating the first three functions that are bundled together as policymaking is rather problematic. However, the extent to which they are dealt with separately in policy practice largely determines the quality of policymaking. Still, it is important to emphasize that these functions are not to be used as the blueprints for the management of policymaking: the activities connected to any of these elements of the policy process are iterative ones and rarely organized into a logical and chronological order in most cases. This applies even to the sequence of policymaking and implementation; in the course of implementation the underlying goals are often revisited. Sometimes rethinking the original goals does not occur simply because a new government reconsiders the goals of the previous one. It is often desirable in the light of new information that may emerge in the course of implementation.

A frequent ambiguity in South Eastern Europe confuses the role of actors of the policy process and that of those who are supporting these actors with information and analysis. The lack of clear separation of these roles often leads to the underestimation of the information and knowledge base of policymaking and the overestimation of the policy planning capacity of government agencies. Although it might be surprising to South Eastern European audiences, the academic researchers and experts of various fields are not the legitimate and substantive actors of the policy process: they are to support those stakeholders who are. (We will return later to the identification of relevant

stakeholders.) The content of these support activities is determined by the content of the activities that are supported.

Figure 14.1
The Functional Elements of the Policy Process and Their Support



Many activities in relation to any of the functions in the policy process (such as problem analysis, cost-benefit analysis, assessment of the performance of the students, or program and policy evaluation) require special expertise. Since the specialists of all these activities are not the audience of this reading, the methodology of policy support will not be discussed on the following pages. However, all support activities are commissioned by policymakers who should be aware of the underlying logic of the work of specialists. Thus, apart from brief descriptions of the key elements of the policy process, certain simple conceptual models will also be offered that might be instrumental in outlining the “terms of reference” for specialists.

CHAPTER 15

Policymaking in Education

15.1 Setting the Policy Agenda

Identifying and Selecting Policy Problems to Be Addressed

As the definition of educational policy suggests, it is about solving problems. The question is: what do we regard as a problem that requires government intervention? Starting with the simplest answer, an *educational policy problem is an educational service outcome that does not meet expectations*. One component of this definition is obvious; the other calls for explanation. The obvious part is what we mean by educational outcomes, as was abundantly discussed earlier. The only thing that should be reiterated here is the impact of the learning-outcomes approach on policymaking: identifying problems in terms of measured competencies has become the ruling alignment in nearly all the European countries where participation-related problems are not especially striking.

Determining the expectations against which we assess educational service outcomes is much more complicated. For this, the following question should be answered: whose expectations matter about what? The point of departure is considering expectations as needs expressed in various ways by the two most important stakeholders: the government and the clients of educational services. Therefore, when identifying the most important expectations, we can turn to the methods of needs assessment (McKillip 1987). The four major types of needs are the following:

- *Normative needs*: educational service outcomes defined by achievement standards or other instruments of content regulation, that is, by curricula or examination and qualification requirements. These expectations are developed by experts and issued by regulations.
- *Felt needs*: in this case, the evaluation of the service outcomes is based on the directly expressed expectations of the clients of the service. For example, parents may expect the schools to provide a larger number of English-language lessons or any other subjects that they find essential for their children. Also, parents with minority affiliations may demand that their children be introduced into their own cultural traditions and respective language.

- *Expressed needs*: expectations identified by the behavior of the clients. For example, over-application to schools offering specific programs or the lack of willingness of students and parents to apply to certain vocational programs provides information on any possible mismatch between supply and demand.
- *Comparative needs*: educational service outcomes compared with the achievement of a relevant out-group. For example, the achievement of Roma students by comparison to their non-Roma peers or the educational performance of students by comparison to those of other countries.

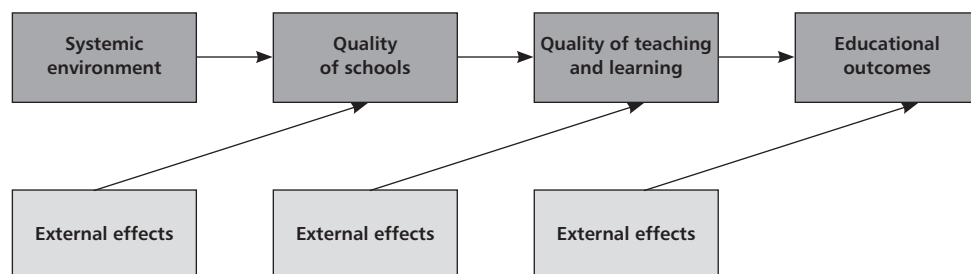
With a combination of planning at all management levels and of autonomous schools, it is possible to balance these expectations. However, we should be aware that all the four types of identifying expectations have serious limitations. The typical problem with normative needs is that, being developed by experts, they have the tendency to become elitist and are often based on expectations that has very little to do with the expectations of parents. These features of normative needs do not make them easily harmonized with the expectations of parents. The frequent problem with felt needs is that parents are not necessarily aware of the latitude within which schools and teachers can respond to their needs. Since education is a discretionary service, parents often express expectations that do not fit into the allocation of limited teaching time or contradict the methodological principles applied in the school. Therefore, felt needs are often unreal. The problem with expressed needs is that they are based on the available options that parents and students can consider in the existing system. Thus, the conclusions about their expectations only on the basis of their behavior would fix the existing supply of programs, although offering more or less of the same thing is not necessarily the solution to certain problems. And finally, the most important problem with comparison is that its validity is not always easy to ensure. For example, comparing the performance of Roma and non-Roma student will be valid only if we sort out the performance of those non-Roma students whose socio-economic background is the same as the group of Roma students. In general, making comparisons valid is expensive, and the more analysis we do in order to ensure validity, the less the probability to produce something that can easily be grasped by non-professionals.

Structuring Policy Problems in Education

Structuring the identified problems is not a pure academic research exercise. It should reveal the underlying cause-effect relationships in a way that allows for determining the intervention required to solve or alleviate the problem. When structuring the policy problem that we intend to address, four questions should be answered:

- *Whose problem is it?* It is important to always bear in mind that if certain student groups have a problem related to education services, it does not necessarily mean that the target group of the policy is the student group itself; in most cases, policies are targeting teachers and schools in order to improve the result of students.
- *What are the reasons and the consequences of the problem?* The sources of the problems are those cause-effect relationships that explain educational outcome differences that we find problematic on any basis. The need of intervention is not always justified by the extent of the problems; relatively large participation gaps may cause very little labor market or social impact, while relatively small differences may reduce the career chances of certain groups to a huge extent.
- *What happens if we do not do anything?* Policy intervention is often justified by the forecast consequences of the problems. Deliberately refraining from intervention is also a policy decision.
- *What kind of information do we need to answer our questions?* In most cases, we are driven by the available information. In order to ensure the appropriate design of the policy, sometimes we should part from the available information to be able to determine our information needs.

Figure 15.1
Structuring Educational Policy Problems



As it can be seen in Figure 15.1, “unpacking” the problems we identified, that is, revealing the underlying cause-effect relationships, should follow the same logic that was touched upon throughout this book. The point of departure is always a problem in relation to the very purpose of education: successful learning. Therefore, old-fashioned teaching, poor-quality schooling, a low level of funding, and an outdated curriculum are not policy problems. They are to be addressed if their negative impact on learning is clearly demonstrated. The primary reason for any failures of learning lies in the characteristics of the teaching-learning process. Deficiencies of teaching are explained

by how schools are operating, and in a decentralized system ministers of education cannot be blamed for poor teaching anymore. (They can be blamed if they fail to address problems.) And finally, the reasons for shortcomings of the operation of schools should be identified in the systemic environment.

Figure 15.2 contains a sample problem tree for the sake of demonstrating how problem structuring works in practice. There are three important rules for the use of this instrument that should be kept in mind:

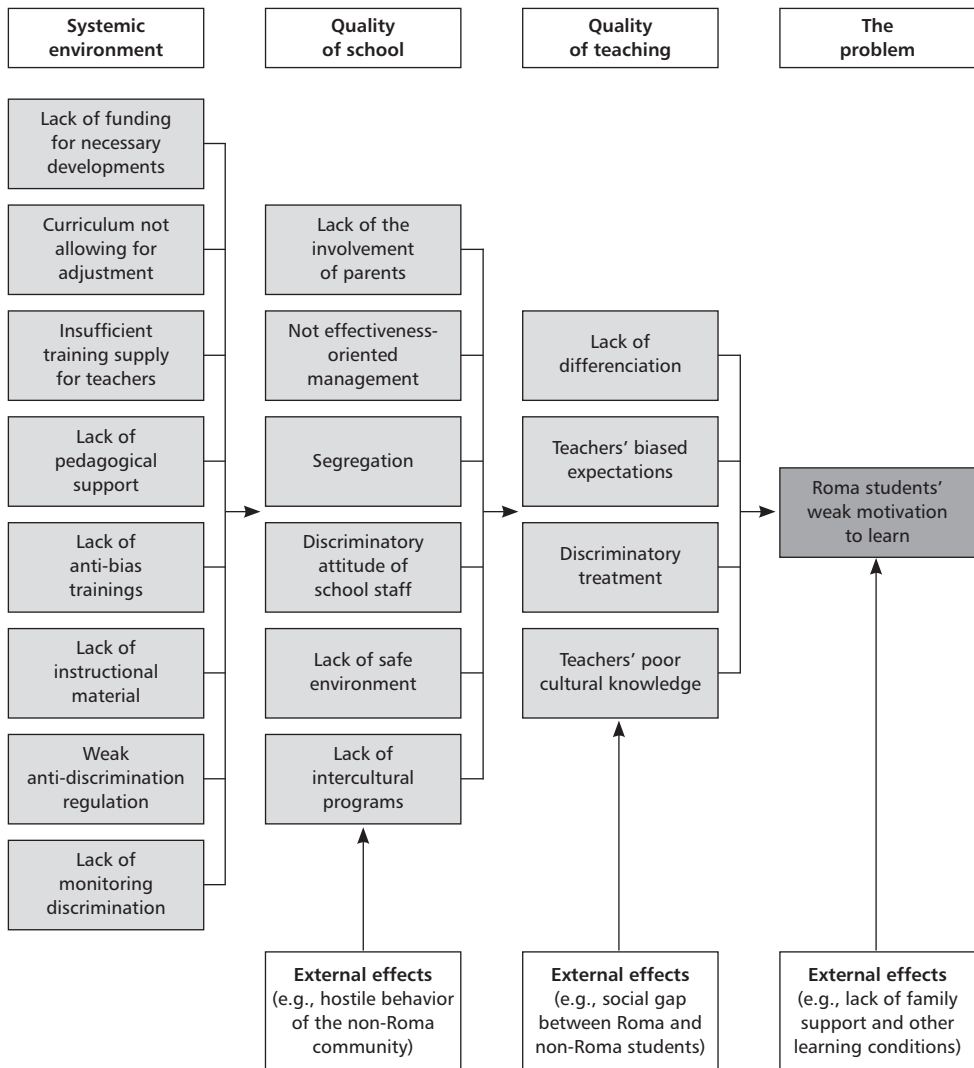
- In the great majority of cases in decentralized systems there are no shortcuts between the columns that do not neighbor one another. (In fact, the real meaning of decentralization is to harmonize responsibilities and authorities.) Revealing cause-effect relationships is a level-by-level exercise starting from service outcomes, only at the end arriving at the functional governance instruments of the systemic environment. For example, a statement like low-quality national curriculum causes poor results in the PISA survey is warmly suggested to returning for further consideration; it is not a basis for the design of any policies. Even if a direct relationship is detected between the systemic environment and teaching, or the schools and service outcomes, the policy should attempt to restore or strengthen the role of the level that mediate between them.
- Simplifications that narrow the scope of interpretation should be avoided. It is not one single characteristic of any level that explains one single characteristic of the subsequent level. All identified characteristics of teaching explain the problem; all relevant features of the operation of schools explain all identified characteristics of teaching in relation to the problem, etc. For example, some suspicion should be reserved for statements like schools are segregating Roma students because of certain financial incentives. There must be something else in the systemic environment that creates a space within which schools are segregating.
- Identifying external factors contributing to deficiencies at any logical level of problem structuring is not done because educational policy controls these factors. There are always external partners to cooperate with in order to ensure that the impact of these external effects is reduced. However, it is not the business of educational policy to address social, health, cultural, or economic problems directly. The responsibility of educational policy is “above the line” of external factors. (It does not mean, of course, that social or health policies cannot use the schools in order to reach out to the students directly.)

When structuring educational policy problems, using the logic of the problem tree is not only useful to unfold the underlying cause-effect relationships. In the case of extremely complex problems (such as the school failure of Roma students), it also helps to identify the best points for intervention. For example, if the problem tree is

created for all specific participation and learning outcomes, failures of Roma students separately, the many problem trees can be superimposed. This will reveal that there are certain deficiencies that are very specific to individual problems, but also that there will be many common reasons that explain almost all of the problems. We may assume that policies targeting these common reasons for failure will improve the overall outcomes of the learning of Roma students by imposing a spillover effect.

Figure 15.2

A Sample Problem Tree for the Poor Learning Motivation of Roma Students³⁶



Structuring educational policy problems is an exercise that has its rules of thumb. The most important ones are the following:

- *Identifying a problem is a value judgment.* There are no value-free problems and the selection among the possible reasons is heavily influenced by values. For example, on the basis of different value orientations, various reasons can be emphasized for dropping out of school: social problems, inappropriate teaching, or poor parenting. Needless to say, different value-driven understandings of the same problems may lead to very different therapies.
- *A problem is always contextual.* How we understand and structure a problem is valid only within one specific context and loses its validity in a different context. Therefore, the solutions cannot be mechanically replicated in different contexts.
- *The problem is not identical to its reasons or with its consequences.* The best way to avoid the confusion created by mixing these up is to insist on identifying problems in terms of service outcomes.
- *The problem has a solution.* In other words: if there is no legitimate public policy solution to a problem, there is no problem to be dealt with. For example, even if serious research would prove that children taught by brown-eyed kindergarten teachers are developing faster because these teachers are much more caring, there is no legitimate way to replace blue-eyed teachers.
- *The problem is not a private matter.* We are talking about public policies serving public interests. Even if the border between private and public matters is extremely ambiguous, an attempt should be made to prove that intervention serves legitimate public purposes.

15.2 Policy Formulation

Determining Policy Goals

The advantage of the above way of structuring policy problems is that—if properly done—in most of the cases it makes setting goals for policies very easy. First of all, when setting goals, the same logic applies as for problem structuring: *policy goals are best determined in terms of educational service outcomes*. Goals related to any other level of this framework are instrumental ones that should be justified by their direct or indirect connection to the desired service outcomes.

As far as the justification of goals is concerned, the most important thing is something that should be reiterated from the previous section: internal effectiveness goals are to be

connected to goals related to external effectiveness. (Promoting the future well-being of children does not contradict the public aims of public services. However, investing public money only into the future “happiness” of individuals sounds problematic.) When emphasizing the connection between internal and external goals, we do not mean to suggest that a shortcut can be made between considerations related to external effectiveness and genuine educational goals. For example, calls that education should contribute to the social integration of immigrant children are frequent. It is typically an expectation that hardly can be interpreted in the actual teaching in a classroom or in the way schools are operated.

There are always many possible goals that educational policy may pursue. However, no governments can afford to address too many goals at the same time. (A government without priorities is a non-governing one.) One of the hardest tasks is to set priorities among the possible goals. As an orientation, three aspects can be offered here. First of all, values are automatic selection criteria. Although the ethos of public service often obliges it to maintain the pretense of value-neutrality, probably it is better to be overt about the underlying values—if they are legitimate ones. Another base might be the economic and social relevance of various goals. For example, how many people are affected and how? Selection among possible goals can also be done on the basis of the judgment about the extent of the problems. For example, the achievement gap between girls and boys is regarded to be large in certain countries and almost negligible in others. What is important is ensuring the legitimacy of the selected goals.

The technique of setting goals in less complex cases is simple: problems can be turned into goals. For example, if the dropout rate is high, let's make it lower; if the literacy competencies of students are low, let's increase them. According to the incremental approach to educational policymaking, we do not need more; if the identified problems are prioritized, they can be handled and targeted in a gradual and incremental manner. However, in many cases the scale and the complexity of the problems does not allow the use of this simple method, because incremental interventions do not produce the critical mass of required changes. (One of the examples for this is the two decades of policy failures in addressing the underachievement of Roma students in former communist countries in Central and Eastern Europe.)

Certain contemporary policy objectives cannot be dealt with easily; indeed, they affect all (or almost all) schools and require a rather dramatic realignment of the way how the education system works, from teaching in the classrooms to all the instruments of governance. For example, if the inclusion of special needs children is to be promoted in a system that has segregated these students for many decades, all the schools should be targeted. Not only because all the schools should be prepared for this, but also because if only one student with special education needs is taught together with other children, the entire classroom should be taught in a different way, and therefore the entire school should be operated in a different way. In these cases, conceptualization, that is, building

a *policy model*, is inevitable. These models should be constructed on the basis of empirical evidence and should include external social and economic references, policy objectives, and the required instruments in a coherent framework.

What makes this easier is that in several cases it does not mean more than applying the existing policy models to the context. These policy models were either born elsewhere or were nurtured in the course of international cooperation. A good example is affirmative action, born in India and in the United States. In fact, almost all of Central European and South Eastern European countries are applying the developmental or preferential instruments of affirmative action to promote the education of Roma students, even if the whole policy model was not always properly digested. Likewise, another contemporary example is lifelong learning. However, when applying these policy frameworks, the concrete policy objectives that aim to solve the concrete problems identified in terms of educational outcomes and the overall goals of the policy models should be well connected.

Again, there are a few rules of thumb for setting goals for educational policies:

- As in the case of problem structuring, there is a hierarchical relationship between goals at the different levels of logic. (Goals related to changing the way of teaching are ancillary to the goals determined for service outcomes, as well as goals set for changing how schools work should serve better teaching and learning, etc.)
- The expected result should be measurable; they should allow for the use of indicators and for benchmarking.
- If multiple goals are set, they should be coherent. For example, promoting smooth pathways for Roma students to general secondary and higher education and supporting the revival of their traditional vocations—disregarding the underlying stereotype of the latter—offer an easy way out from efforts needed to achieve the former.
- The target groups of all of the policies should be determined in an unambiguous way.
- The process through which goals are determined should contribute to building consensus on the goals.
- Goals should not go against certain processes in the systems that are not under the control of policymakers. For example, building new schools in small villages in order to encourage young couples to have more children would be a waste of money.

Determining and Assessing Policy Instruments

Policy goals can be set in many different ways; there are hard instruments that can be used, such as an amendment of a law, or rather soft ones, such as a ministry strategy that is used as a communication instrument. Nevertheless, regardless of how policies are set, they are *mandates* given to other actors in the education sector. Apart from setting goals for others, these mandates often prescribe how the goals should be served, too. The difficulty is caused by the fact that we cannot assume that all the actors will automatically act according to the given mandate. For example, if the mandate is the use of the methods of differentiated teaching in order to make education more inclusive, it may happen that teachers understand the expectations but they are simply incapable of applying these methods. In this case, the mandate should be supplemented with *capacity building* for teachers. Assuming that teachers are aware of the mandate and they possess the required professional competencies, they are not necessarily ready to invest the extra effort that is needed to meet the expectations. In these cases, policies should operate with various *incentives* that have the potential to increase the readiness of teachers to adjust to the mandate. Still, even if teachers have the necessary professional competencies and would be ready to do more and to work in a different way, they might not be convinced about what the actual mandate suggests as the best way to deal with the problems. In these cases, policies should use the diverse instruments of *persuasion*. And finally, if teachers are able and ready to change and convinced about the direction of changes, they still may need a lot of help to do so. These are the cases when policies should make *institutionalized support* available for teachers. This support can be internal, for example, allowing schools to hire specialists, who work together with teachers, or can be ensured as an external professional support service.

In summary, educational policies have five types of tools at their disposal: (i) mandate, (ii) capacity building, (iii) incentives, (iv) persuasion, and (v) institutionalized support. In fact, all of these policy tools are groups of instruments; there are many ways how they can be applied—both in terms of the actual technical provisions and their actual content. Often the most appropriate instrument (e.g., a kind of training program, an online communication channel, or a network of an organization capable of providing a specific support service) is not at the disposal of policymakers; therefore, the policy should contain the development program that produces them.

Most policies combine these instruments. The underlying logic of selecting the required combination of policy tools is rather simple; it depends on two key elements of the absorption capacity of schools: the *willingness* and the *capacity* of the staff of schools to change. In those very rare cases when we realistically can assume that both conditions are given, it is enough to deploy a clear mandate. However, if the information we have suggests that in a number of schools the willingness of the staff to subscribe to

the required changes is weak and/or the capacity of the staff to change is insufficient, then much more is needed.

Two of the policy instruments (capacity building and institutionalized support) serve to improve the required capacities, while the other two (incentives and persuasion) are used to strengthen the capacity of the staff. Often, none of these conditions are available. The best example is again the education of Roma students in South Eastern Europe. Evidence has proved that this is typically a policy problem, and that if is addressed must have all the possible policy tools incorporated into a coherent package. Obviously, the design of the required policies largely depends on what policymakers think and know about the professional preparedness and the attitudes of teachers and other school staff. Sometimes this “knowledge” is anecdotal or undocumented, and sometimes even stereotypes come into play, while in other cases this knowledge is well-founded by hard evidence, such as empirical research or opinion poll results. The more the underlying assumptions are supported with reliable evidence, the larger the likelihood of a successful policy implementation. In other words: investing in learning more about the capacities and willingness of the target groups of educational policies may save a large amount of public money.

Figure 15.3
The Aspects of Identifying the Necessary Policy Tools³⁷

		WILLINGNESS	
		Low	High
CAPACITY	Low	"All in"	Capacity building and institutionalized support
	High	Incentives and persuasion	A clear mandate only

There are always multiple policy instruments that can be applied to pursue certain policy goals. The decision on the choice of the instruments of the policy should be based on their assessment. Generally speaking, the more expensive the policy, and the larger the stake involved, the more time should be spent on assessing the alternative instruments. Apart from rather contextual aspects, there are four general and permanent aspects for the assessment of policy instruments:

- *Anticipated impact.* It is about forecasting on the basis of former experience: the estimation of the trajectory of changes as a result of the policy intervention.
- *Feasibility.* Mapping out the possible obstacles (e.g., political resistance, the resistance of stakeholder groups, the sustainable availability of resources, etc.) and their potential to hamper the implementation of policies.
- *Cost-effectiveness.* The estimation of the direct costs of implementing alternative instruments and their impact on the level of mainstream financial allocation in the light of the expected impact.
- *Sustainability.* It may refer to the assessment of the potential sustainability of the program and services, as well as that of the impact of the policies. For example, the sustainability of extracurricular programs might be rather controversial because they cease to exist when the allocated supplementary resources run out, as well as because their impact on the effectiveness of mainstream teaching is limited and temporal.

When assessing the possible instruments, the critical issue is the *knowledge basis* of the policy formulation. Assessing the impact, feasibility, cost-effectiveness, and sustainability—apart from the use of sophisticated methodologies—requires a tremendous amount of the previous knowledge and experience that educational research, evaluation, and consultancy accumulate. Illustrating it with a very simple example: if a policy contains school development projects that are planned for one year, on the basis of the “implementation dip” that was mentioned in Chapter 8, it can be forecast in high probability that the policy will bring far more negative results than positive ones. Therefore, investment into the knowledge basis of policymaking is essential. The good news is that the internationalization of education science and educational policy has made a huge amount of policy relevant knowledge produced elsewhere available. This “globalization” of education has already reached the point when the isolation of policymakers and schools from international cooperation frameworks will result in a poor knowledge basis, regardless of the amount of resources deployed for research and evaluation.

There are various types of activities that contribute to the enrichment of the knowledge basis of policy. Some of them are academic research activities, while others serve more practical purposes. The academic research activities that produce policy relevant knowledge are studying the content of policies, the policy process, or the impact of policies. Evaluation is a special activity, because in most cases it serves the policy and development praxis, but it also has its meta-level. There are various praxis-oriented activities that are called educational policy analysis; it might be oriented towards informing policymaking, may support the actors of the policy process, or might be built into the process. The actors of the policy process are often doing the analysis themselves.

Figure 15.4
Activities Providing the Knowledge Basis of the Public Policy Process

			Educational policy analysis (praxis)				
The content of policies	The policy process	The impact of policies	Evaluation	Informing policies	Supporting the policy process	Analysis embedded into the policy process	Actors of the policy process as analysts
Educational policy studies (meta-level)							

Source: Hill 1997.

Parallel to the growing complexity of education systems, the complexity of educational policies is also increasing. As a result, the information and knowledge demand that policymaking generates is also growing. In those European countries where there is a long tradition of cooperation among academic research and policymakers educational policy analysis is rarely institutionalized. In contrast, in Central and South Eastern European countries, where education science and empirical research in education is rather limited and cooperation between governments and researchers is more problematic, there is a need to institutionalize the knowledge management for policymaking. In certain countries, this function is institutionalized in universities, in several countries independent NGOs are doing policy research and analysis, while there are others where ministries of education establish an internal educational policy department or within an institution affiliated with the ministry.

15.3 Policy Consultation and Formal Decision-making

Educational Policy Consultation

The third component of policymaking is the formal and informal process of decision-making. What was said in Chapter 14 about the nonsequential nature of the key elements of the policy process especially applies to all sorts of activities that aim to prepare the policy for formal decision-making: planning and bargaining with the relevant stakeholder groups. Although stakeholder consultation is discussed together with decision-making, it is an iterative process strongly connected with the above elements: determining the policy agenda and the design of the policies. Also, consulting and involving the key stakeholders is essential after decision-making, too; it is instrumental in the course of implementation, as well as in the evaluation of policies.

The major aim of policy consultation is ensuring feasibility. It is worth to recall everything that was said about the decentralized pattern of governance (i.e., working through the actors of local accountability relationships) and the “interpretation chain” of the operation of content regulation instruments that—in a different way—applies to all other functional governance instruments. Bearing in mind the indirect character of decentralized governance, it is easy to see the reason behind the huge emphasis on stakeholder consultation. Therefore, the openness of policymaking is a genuine efficiency issue, regardless of what we think about the role that corporative organizations should play in operating political systems. There are three major questions to be discussed in relation to policy consultation: who are they, how to consult them, and how to ensure the publicity of policymaking?

When identifying the relevant stakeholders of the policy, it is important to bear in mind that they are not identical to the target groups of the policy, although there might be an overlap. The groups that “have a stake” in the actual policy are those who (i) are targeted by the policy (e.g., teachers, self-governments, etc.), (ii) those that not necessarily interested in the actual policy, but are playing a formal consultative role on a regulated basis (e.g., professional associations represented in a policy council), (iii) those who have vested interest in the impact of the policy (e.g., chambers of business organizations, employer organizations), and (iv) those who represent the beneficiaries of the policy (e.g., parent organizations or Roma NGOs). As can be seen, the possible stakeholders of various policies compose a wider pool of groups than are typically involved in any permanent and formal consultation system that was discussed in Chapters 4 and 9. Therefore, the identification of the stakeholder groups at an early stage of formulating policies that are relevant to the actual problem to be addressed cannot be spared, even if a full consultation system is operated at the national level.

Another important point is that on the national level individual teachers, parents, or mayors cannot be consulted; only those groups can be involved that have organized representation. As often happens, especially in South Eastern Europe, ministries engage in one-way communication with teachers in large conference halls. Then by adding up the number of teachers who have participated in such conferences, ministries report that thousands of teachers were “consulted.” (These conferences, online forums, etc., are very instrumental to communicate the policies and their underlying goals, but they are far from being consultative events.) Therefore, when referring to stakeholder groups, we always mean organized groups; “consulting teachers” means a consulting teacher association and—in certain employment-related matters—teacher unions, “consulting Roma” means consulting Roma associations, councils, and self-governments, etc. The actual content of policies determines the circle of various stakeholder groups to be involved.

In addition to all these, the actual weight of various stakeholder groups is also determined by the content of the policy; in other words: stakeholder groups do not have

a permanent weight in relation to any sorts of policies. For example, the association of history teachers is to be taken very seriously if a new curriculum for history is to be approved; however, when policy is to be formulated for the differentiated compensation of teachers, this association is to be consulted but the weight of its voice should not be equally considered to that of trade unions, schools directors' association, or local government representatives. Generally speaking, the actual weight of different stakeholders is always determined by their government recognition and involvement.

Frequently, certain individuals or organizations are involved in the consultation on the basis of their "problem generating capacity," regardless of the degree to which they are affected by the actual policy. This is why academic researchers or NGO leaders with "gravitas," that is, with high prestige and good media and political access, are consulted by policymakers. It is not necessarily a problem, because the political marketing of policies is as important as anything else. However, deliberate investment into political marketing should not replace genuine policy consultation, because only real stakeholders can really inform policy formulation, facilitate the implementation, and reduce the conflicts that most changes inevitably generate.

In theory, policy consultation is a two-way communication process. In one direction, stakeholder organizations aggregate the interests and the views of those they represent and channel them into the policy process through consultation and bargaining. Most policymakers in South Eastern Europe do not have illusions about the efficiency of this aggregation function, because it requires well-functioning, democratic self-organization. Often, government leaders regard certain stakeholder organizations as "one person businesses"—not always without reason. However, without the weight that government recognition ensures, the internal democratic self-organization will hardly evolve. Not even mentioning the fact that—apart from the well-documented violations of laws—governments are not in the position to question the legitimacy of stakeholder organizations. Nevertheless, there are instruments that have the potential to inform stakeholder consultations. For example, opinion polls among teachers do not substitute consultation with teacher organizations and trade unions, but they have the potential to shape it.

In the opposite direction, governments have many more options to consider. Stakeholder consultation is not directed only to the government that is the focal point of policymaking; it also supposed to help governments to reach out to those who are represented by the organizations involved. For example—again, in theory—the best way to ensure the support of teachers for certain changes is having teacher organizations as allies on the basis of an agreement made with them. However, it would be brave to overestimate the potential of these organizations. Therefore, the alternative channels of reaching out to the most important stakeholder groups are very important. There are direct and indirect ways of communication; information to the actors of the education system can be disseminated directly, and media communication can assist in reaching out to all other actors outside of the education system. Managing the "public relations"

of policies—apart from shaping the wider policy discourse—may impose an indirect impact on the “mandate” with which the representatives of stakeholder organizations engage in formal and informal consultation.

The last remark about stakeholder involvement is that policymaking should not be completely driven by consultation. When emphasizing policy consultation, it is not suggested that the final responsibility for policies that lies with the government is to be handed over to the public. The best way to ensure the openness of the policy process and to keep the responsibility is to engage in a consultation from a well-developed position. A policy paper or written proposal is an instrument of outstanding importance, if effective consultation is the intention of policymakers. It may sound like a triviality for many; however, recent policy practice in most of South Eastern Europe is not necessarily based on policy discourse shaped by written documents.

Formal Decision-making

There is not much to add about formal decision-making procedures, because it should be a regulated process. The algorithm of decision-making in well-established public administration systems is a rather rigid procedure with responsible actors, internal deadlines, mandatory policy coordination at each stage, proposal templates, and decent documentation. Also, confidentiality rules, access to information, internal and intermediary decision-making competencies, as well as certain mandatory components of a proposal (estimation of costs, regulations affected, stakeholders to be consulted, etc.) are also regulated. Even if these processes are much less regulated in the “oral cultures” of most of South Eastern Europe, apart from signaling the importance of standardizing decision-making procedures in order to ensure predictability and administrative efficiency, this element of policymaking does not require detailed further discussion.

A clear distinction should be made between the administrative process of approval and using administrative procedures for policymaking and implementation. In relation to this distinction a short remark should be made about the possible shortcomings that mixing up various timeframes may cause. Any actions of the policy process are to be placed within three different timeframes: administrative, political, and policy time. *Administrative time* is determined by regulated administrative procedures, such as answering an incoming letter within 15 days. Obviously, certain policy steps are to be inserted into these timeframes. *Political time* is determined in government terms; governments are striving to compress as much as possible, typically into four years, because there are no guarantees for phasing out the intended changes beyond their term. Finally, there is a *policy time* that is determined by the amount of time that is needed to nurture, plan, approve, and implement certain policies. For example, the required time for a

curriculum reform that is gradually implemented in subsequent school grades might be a decade or even more.

A typical problem is the pressure to make things happen within a shorter timeframe than what is logically required. Changes requiring “policy time” often attempted to push through within the political timeframe, and policy matters that would be properly dealt with in a few years are often handled through administrative procedures. In both cases, the policy response to the matter under concern will be definitely inappropriate. There are certain guarantees that have the potential to counterbalance this pressure; the most important ones are high-quality policy planning and open policy consultation that were discussed earlier.

CHAPTER 16

Policy Implementation and Evaluation

Putting policies into effect may happen according to two distinct logics: in a *top-down* manner by which central initiatives are rolled through the education system, and in a *bottom-up* manner, by which local but sporadic existing good practices are scaled-up to the entire system along central policy priorities. Although the devotees of democratic principles would immediately opt for bottom-up implementation just because of its direction, it is important to see that the great majority of policies are implemented top-down because the initiative comes from the center, even in decentralized systems. Evaluation is discussed together with implementation in this chapter, partly because to a large extent it is implementation that is evaluated, and partly because the manner of implementation largely determines the impact of policies.

16.1 Top-down Implementation

Implementing Policies through the Systemic Environment

In most South Eastern European countries, a lot of attention is paid to policy intentions, that is, the policies that governments decide to pursue, but very little to their actual implementation. The observer often has the impression that if everybody simply takes for granted that what the government wants to happen, it will automatically happen. Even if it is an obvious exaggeration, those who are watching whether government initiatives are implemented or not, typically do not look beyond regulation amendments and the amount of money that is deployed to “projects.” In general, the great proliferation of small-scale “implementation projects” masks that there are few examples in the last decade of educational policy in the region that attempted systematic implementation. In spite of the sporadic evaluation information, it is not overly bold to assume that the great majority of policies were not implemented, or are implemented with a huge “implementation deficit.” It definitely applies to even those policies that are based on new or amended regulations.

Implementation is the achievement of the underlying objectives of the policy (Hill 1997). What matters in this respect is not the intention, but rather the extent to which the

intentions are accomplished: especially if the system, within which transmission of central initiatives to local services providers occurs, is not a hierarchical bureaucratic line of organizations, but a decentralized one as outlined by this reading.

Governance in decentralized systems is based on interpretation. The staff of the schools and the actors of local accountability relationships interpret central initiatives through the lens of their own space for maneuver that is determined only partly by these initiatives. Since decentralization does not allow for effective direct implementation via bureaucratic organizational structures anymore, the basic underlying question of implementation is not different from that of governance in general: how to ensure the compliance of autonomous actors, whose behavior is determined by diverse local contextual factors? As the question is not different from that of overall decentralized governance, the answer is quite similar, too. The best way to implement policies in a decentralized education system is making local actors interested in implementation on their own.

However, it is easier said than done. The many internal and external factors that determine the latitude within which local actors make decisions are hard to control. What is needed is a coherent package of changes in the systemic environment of schools that rearrange the conditions of local problem solving. In other words, the primary pattern of top-down implementation is *working through the functional governance instruments in order to force, encourage, and support schools to solve problems in line with the policy mandate*. It is achieved by coordinated changes within the systemic environment, that is, by an “implementation package.” The underlying assumption is that the cumulative effects of all the changes in the system’s regulatory instruments (i.e., management, content regulation, quality evaluation) and in the manner of how various resources flow (i.e., money, human resources, support, information, etc.) will add up to a rearranged latitude for local actors, especially that of schools. As a result, the impact of the implementation package is indirect and not very controlled. This is the type of implementation that is often referred to as “reform.”

There are three important features of implementation through the systemic environment. First, the “critical path” of the implementation process is the management system. Mandates are deployed to management actors at different levels (with the management of schools included). These mandates should fit into the horizontal scope of decision-making authorities. In other words, mandates should be deployed that are not contradictory or alien to the core management authorities of the respective actors. Another equally important requirement is that, no matter what is the policy mandate to which the functional governance instruments are adjusted, it is essential to preserve the internal coherence of the system. It equally refers to the internal logic of the separate functional governance instruments, as well as to the coherence of the system as a whole. For example, standards for inclusion of special needs children should fit into the overall content regulation system, on the one hand, and the financial allocation

system should not keep schools interested in separation, on the other. The third feature of indirect implementation is a warning: what happens is never fully identical to what we expected to happen. An implementation deficit is, to a certain extent, inevitable; what is important is how much are we able to monitor the implementation and how much are we able to make corrections, if necessary?

Policymaking is about problem solving and not about problem creation. Therefore, it is important to bear in mind that policy instruments should be compatible with the existing governance system; they should fit into the structural characteristics of the functional governance instrument through which they are implemented. (For the sake of solving one single problem, it is unwise to start to build a completely new system.) For example, at a certain point of fiscal decentralization, allocating large operational funds to the schools directly for any noble purposes goes against the basic structural features of the system. The problem is that managing major structural changes, such as decentralization of any of the strands of governance, together with managing policies for the sake of solving concrete problems, will inevitably cause some confusion. This can be reduced if decentralization is based on a clear strategy with an unambiguous description of the steps of the process. This may allow policymaking and implementation to adjust to the changing context.

Planning the Implementation Package

In Chapter 15, we saw that there are five types of policy tools that educational policy has its disposal: mandate, capacity building, incentives, persuasion, and institutionalized support. How the package of various tools is selected, as well as the determination of the concrete instruments, were briefly discussed. When it comes to the design of the implementation of the policy that is planned according to this logic, a clearer picture is already created about *what* is to be done, but it is still not very instrumental in telling us *how* to do it.

Ministries of education do not work with capacity building or incentives; this is the logic of how project organizations operate. Ministries are not NGOs or development agencies; they work with the functional governance instruments that are complex systems in themselves. Therefore, if the implementation strategy to be applied is a top-down transmission through the systemic environment, the policy should be made “consumable” for government agencies. A user-friendly implementation design deconstructs the various policy instruments to components related to the different functional governance instruments.

For example, if a Roma inclusion policy intends to offer anti-bias training as a capacity building tool, it will have a financing component (funding the development of anti-bias training and other instruments), a quality evaluation component (introducing

supplementary Roma inclusion self-evaluation instruments and supplementing the aspects of external evaluations), a teacher training component (accreditation of anti-bias in-service training programs, introduction of anti-bias training into the initial training of teachers), a textbook publishing component (publishing readings for anti-bias training and commissioning a thematic evaluation of the textbooks), a professional support component (training a network of trainers), and a research and development component (development of training programs, empirical research to monitor the attitudes of teachers). As this simple example demonstrates, the more detailed is the “unpacking” of the selected instruments, the better management that can be provided during the implementation process. Planning implementation produces regulation, financing, training, and development packages, for which their timing can be set and the various actions can be designated to the organization in charge of their implementation. In short, this exercise creates the operational plan of implementation.

Table 16.1
The Framework for Planning the Top-down Implementation
of Selected Policy Instruments

Components of the systemic environments	Policy tools				
	Mandate	Capacity building	Incentives	Persuasion	Institutionalized support
Management					
Regulation					
Content regulation					
Financing					
Quality evaluation					
Teacher training					
Textbook publishing					
Professional services					
Research and development					

Implementing Policies through Development Programs

Another pattern of top-down implementation is directly reaching out to schools through large-scale targeted development programs. These programs are based on a combination of allocating small grants and making available professional support services and development instruments to the schools. The content, algorithm, and methods of school-based development programs are set in a contract, and the programs are operated by a management agency. In contrast to an implementation through the systemic environment, central development programs have the advantage of imposing a direct impact on the work of the schools and the impact is more easily controlled. The major disadvantage of operating with development programs is their relatively high costs; the direct and more intensive effect has its price.

In centralized systems in which the systemic environment does not allow for high-quality, top-down implementation through well-functioning governance instruments, implementing policies through development programs is the only option that is worth considering. The problem is that the countries in South Eastern Europe with highly centralized governance of education are, at the same time, the countries with very limited development resources. (This is the main reason why policies are “implemented” by small-scale pilot projects in 10–20 schools.) Relying completely on the funds made available by international donor agencies or by the European Union does not offer a way out from this trap; it simply weakens the pressure for decentralization and makes the already limited implementation capacity of government less visible.

There is another problem in relation to policy implementation in centralized systems on the “demand side”: the low absorption capacity of schools. It is obvious in the case of an implementation through the systemic environment: if schools are not autonomous organizations operating those mechanisms outlined in Part Two, it would be unrealistic that the “messages” coming from the environment will generate change oriented around problem solving within the schools. Although on the surface it is less apparent, it is the same with an implementation through direct development projects. A sustainable impact cannot be expected in schools in which development remains the private business and leisure-time activity of a few enthusiastic teachers who can afford to be engaged in it for a while.

In decentralized systems, the two major types of top-down implementation strategies are rarely applied alone. First, many purely developmental instruments require minor adjustments in the regulations, financing, or in the system of professional support services. For example, if a large-scale national program for promoting the inclusion capacity of schools creates a network of special needs school development advisors, the regulation that contains the list of advisors who are allowed to work with schools and teachers are to be supplemented with the new type of support role. In most cases, developments are also followed up by changes in the systemic environment in order to

make the changes of the program sustainable. New support capacities are incorporated into the mainstream professional support system, new in-service training programs are accredited and handed over to training organizations, textbooks that have been developed for a specific development project are handed over to textbook publishers, etc. Often shifting from the developmental pattern to the other implementation method is part of a deliberate strategy. For example, Hungary introduced school-based quality assurance in a large-scale development program in 1,700 schools that opted into the program on a voluntary basis. When the program phased out, an amendment to the legislation made running quality management systems mandatory for all schools.

16.2 Bottom-up Implementation

Bottom-up implementation is the *transferring of good practices that exist in a school to all other schools with similar problems on the basis of central policy priorities*. In other words, it is the *systemic scaling-up* of good practices. The history of the problem of scaling-up is rooted in the educational policies of the United States where the federal system and the large size of the country hardly allow for the effective use of any top-down implementation strategies. Therefore, when the federal government became active in educational policies in the 1960s with the “Great Society” programs of Lyndon B. Johnson, the prevailing pattern of policy implementation was offering small grants to a large number of schools for development. When the results were evaluated about a decade later, it turned out that the impact of “showering money on schools” was extremely limited. Thus, the second generation of bottom-up implementation policies was based on the extraction and standardization of the content of good practices and their transfer to other schools. As a result of this shift, evaluation proved that some improvement had occurred in some schools, but the impact of the money spent on development was still insufficient. It led to a new shift in implementation methods; instead of focusing on the actual know-how that successful schools applied, a great deal of research and evaluation were invested in order to find out what were the conditions within and around the schools that make for the successful implementation of any sorts of know-how possible?

Contemporary bottom-up implementation strategies have been built on this experience: there is a significant emphasis on creating those conditions that are, in fact, identical to those characteristics that were described in Part Two of this book. Even if the actual instruments vary from country to country, the essence of these conditions is the same: self-evaluation-based school development in autonomous and accountable schools. Therefore, as far as bottom-up implementation is concerned, the instruments to promote the scaling-up of good practices are two different kinds: (i) general ones aiming at improving the absorption capacity of schools (i.e., the use of those governance

instruments that were discussed in Part Three), and (ii) specific instruments aiming at scaling-up know-how in relation to specific policy problems in those schools that are affected by the problem.

Bottom-up implementation also has two typical types, a “second generation” and a “third generation.” The differences between the two are very much similar to those of the two top-down implementation strategies. The first focuses on the *dissemination* of know-how; it connects schools with development agencies of any kind that possess the necessary know-how and have the capacity to actively support its application. It is a rather “supply driven” implementation, because those project contents that are selected and disseminated fit to the policy objectives of the policy center.

The second promotes the free exchange and wide application of know-how on the basis of development needs identified by the schools, themselves. This *systemic scaling-up* strategy is much less content-specific and shaped by rather indirect means, such as setting expectations towards schools through the means of content regulation or accountability systems. The typical supplementary instruments used by this bottom-up implementation strategy make funds available for school-based development, generating a free market of working solutions and developmental know-how, evaluation of grass-roots programs, collecting and disseminating good practices, investing in the support capacities serving school-based development, supporting cooperation among schools organized into development networks, investment into pilot developments and into the knowledge basis of the methodology of development, etc.

The advantages and disadvantages of the two bottom-up implementation strategies are summarized in Box 16.1, though it must be obvious by now that the scaling-up implementation pattern is not an option worth considering in centralized governance systems. The limitations that were mentioned about the targeted development pattern of top-down implementation in centralized education systems (i.e., flowing from the low absorption capacity of schools and the scarcity of available financial resources) also apply to the dissemination type of bottom-up implementation.

In centralized education governance systems, top-down and bottom-up implementation methods are often combined; in these cases bottom-up implementation is a supplementary line of action supporting the mainstream top-down implementation process.

Box 16.1
Bottom-up Implementation Strategies

Dissemination

The central question: what are they doing and how?

The objective is the dissemination of know-how.

The most important tool is creating a network of cooperating schools.

In terms of adjusting to the local context, the policy is relatively inflexible.

The impact on the functioning of the schools is direct, intensive, and immediate.

The number of schools involved is limited.

Due to the project type of operation, the innovation often remains isolated within the schools.

The specific costs of development are high.

Channeling in external resources is easier, the burden on the state budget is lower.

Ensuring cost-efficiency is easier.

Systemic Scaling-up

The central question: what are the conditions that allow them to do it?

The objective is to create the applicability of know-how.

The most important tool is modifying the systemic environment and the organization of schools.

In terms of adjusting to the local context, the policy is relatively flexible.

The impact on the functioning of the schools is indirect, less intensive, and delayed.

The number of schools involved is not limited.

The innovation more easily infiltrates the entire functioning of the school.

Due to the use of existing institutions and services, the specific costs of the development are lower.

Channeling in external resources is harder, the burden on the state budget is larger.

Ensuring cost-efficiency is harder.

—Radó 2001b

Selecting the Appropriate Implementation Strategy

Finally, in order to summarize the key points on policy implementation, when selecting the top-down or bottom-up implementation strategy that fits both to the context and the problem addressed by the policy, the following aspects are suggested to consider:

- *The extent of decentralization*, that is, what do the existing governance instruments make possible?
- *The absorption capacity of the schools* that are targeted with the policy in concern. (Even in highly-decentralized systems, there are a large number of schools with low absorption capacity.)
- *The scope and the scale of the problem*. In other words, the implementation strategy has to be adjusted to the number of schools to which the policy should reach and the complexity of the problem that is to be solved.
- *The maturity of professional support services*. The quality and availability of professional support is critical in development, especially when low absorption capacity schools are targeted.
- *The amount of available financial resources*, that is, how expensive is the implementation process that the country can afford?
- *The level of government commitment*. If it is not obvious and long-lasting enough, implementation served by other means that project-based development may cause more harm than good.
- *The level of financial accountability*. In the case of implementation strategies, that include making additional resources available, the weakness of financial accountability may call for implementation methods, within which money is allocated in an easily controlled contract-based manner.

16.3 Policy Evaluation

Without checking the impact of policies, policymaking and implementation is a hobby, or in a better case, a publicly-funded activity serving the good conscience of policymakers. Policymaking without policy evaluation can be happen only in those countries where policymakers are interested only in spending public resources, but not interested in the results of spending. Also, without the knowledge that policy evaluation provides, policymaking and implementation remain superficial and unable to solve any problems that deserve the attention of governments. In short, what should apply to teachers and school directors (i.e., they should act as accountable professionals) should have been

applied to policymakers, too. Without evaluating the impact of policies, a minimum level of accountability of the governors of education cannot be ensured.

In normal circumstances, writing the previous paragraph would be a needless waste of ink. However, in some of Central and Eastern Europe and in most of South Eastern Europe, policy evaluation as an ordinary part of public policy simply does not exist. Therefore, there are few regional illustrations that are available for this short section on policy evaluation. (The rare examples of program or policy evaluation are mainly projects commissioned by international organizations.) The lack of policy evaluation is a common feature of countries with centralized education systems where the policy discourse is still very much input- and process-oriented.

Policy evaluation in education is based on the information provided by five major sources:

- The external assessment of the performance of students.
- The external evaluation of schools (inspection).
- Program and policy evaluation.
- The information provided by financial accountability mechanisms.
- Empirical research and the information system of education.

Most of this information (such as student performance data, school evaluation reports, financial audit reports on the use of public resources, and statistical data) is produced in a regular and systematic way. Most of these sources of information were discussed already in this reading. Research results, if they provide policy evaluation relevant information, do it as a byproduct, disregarding direct policy research.

As far as the *external assessment of students' performance* is concerned, beyond serving organizational learning and professional accountability, informing policy is the third major function of large-scale testing programs. As the concrete targets of policies are increasingly determined by learning outcomes, the most important feedback on the successes and failures of policies are measured learning outcomes, too. The dramatic increment of the weight of test results led to a new division in Europe; there are countries where the policy discourse is very much driven and shaped by performance data, and there are others where it is not. The policy discourse, even the language of the discourse in these two groups of countries, is extremely different. Generally speaking, the more domestic assessment data that are available, the more informed is the policymaking. The experience of countries that operate their own national testing programs proves that—apart from the extremely valuable direct insight that assessment data offer—this type of policy evaluation information generates a greater demand for evaluation and empirical research in order to widen the space for interpretation. (Better understanding definitely leads to more sophisticated policy formulation and implementation.)

The other main source of policy-relevant information is provided by *program and policy evaluation*, that is, the *systematic inquiry of the working and/or outcomes of a program or policy and the assessment of their results against their own overt and hidden expectations, in order to contribute the improvement of the program or policy* (Weiss 1998). There are a few key elements of this definition that have certain implications. First of all, evaluation is systematic inquiry. Regardless of whether the applied methodology is quantitative (e.g., statistical analysis, survey, etc.) or qualitative (e.g., interviews, focus groups, document analysis, etc.), evaluation uses the methodology of empirical social sciences. It means that the credibility of the evaluators is ensured by the same two factors as that of social scientists: the ability to use the required methodology and independence. These are the two characteristics that differentiate *monitoring* and *evaluation*. Monitoring is mainly statistical reporting embedded into the process; therefore, those who are doing monitoring are not independent from the organization that commissions the program or made the policy, or from those who are implementing them.

The second element of the definition is about the purpose of evaluation. Evaluation either addresses the implementation process and the concrete outputs of the program or policy, or their outcomes. If those who are commissioning the evaluation are interested in the operation of program or policy, questions are answered, such as: was there any deviation from regulations, or what instruments were used during the operation? In the first case, the evaluation serves accountability purposes; in the second case, it serves learning. If evaluation is oriented towards the inquiry of outcomes, the major question is whether the program or policy provided the expected benefits to the recipients? In outcomes-oriented evaluation there might be goals related to development and accountability that are also pursued.

The third feature of evaluation is its basis. Evaluation is always done on the basis of questions and criteria that those, who will commission the evaluation project, set for the evaluators. (In this respect, evaluation is very different from research: the underlying questions are asked by somebody else.) The basis of evaluation might be a set of criteria prescribed in advance, or it can be done on the basis of the original goals of the program or policy, on the basis of the goals set when the program or policy was already underway, or on the basis of the hidden goals and expectations of the participants and beneficiaries.

Whatever the methods that evaluation uses, *evaluation is expert judgment*. Therefore, beyond the assessment of the proposed methodology incorporated into the application for the evaluation project, evaluators are selected on the basis of their references that prove—or at least make plausible—that the evaluator accumulated the experience that is a *sine qua non* condition of this work.

Finally, what are the situations in which commissioning external (interim or final) evaluation might be extremely instrumental? The four typical cases are the following (Weiss 1998):

- When the feedback of the market does not work out. For example, an evaluation of textbook publishing or an in-service training system, if these services are fully marketized, is not necessarily reasonable, unless the cases concerned do not fall under the following three categories.
- When the outcomes to be evaluated are very complex and hard to observe, such as learning outcomes.
- When the decision to be supported is about spending a large amount of money, or the program or policy spent a lot of money. Evaluating low-cost programs or policies does not necessarily require spending money on expensive evaluations.
- When we need to convince the public, decision-makers, or others who are financing the program or policy.

CONCLUSIONS

High-quality Policymaking

High-quality Policymaking in Education

Contrary to certain illusions, decentralization does not automatically improve learning outcomes; it is about creating a much more favorable environment for effective policymaking and development that has the potential to generate improvement in the performance of schools. (For example, in Chapter 16, development is a policy instrument.)

Therefore, we should ask the question: what makes policymaking a high-quality governance activity? Turning back to the very simple understanding of quality already offered in this reading, it is something that fits to the purpose. Applying this to policymaking, we are talking about a high-quality policy process if the following requirements are met:

- Policies address well-documented and well-understood problems.
- Policies operate with instruments that have the potential of affecting the behavior of actors in the desired way and are working well within the given context.
- Policies are able to gain the support of the most important stakeholders.
- The implementation of policies is based on a strategy that fits both to the context and the purpose, and is managed in an effective way.
- The policy process and the impact of the policies are evaluated and the results of evaluation are fed back to policymakers in order to ensure the learning of the governance system.

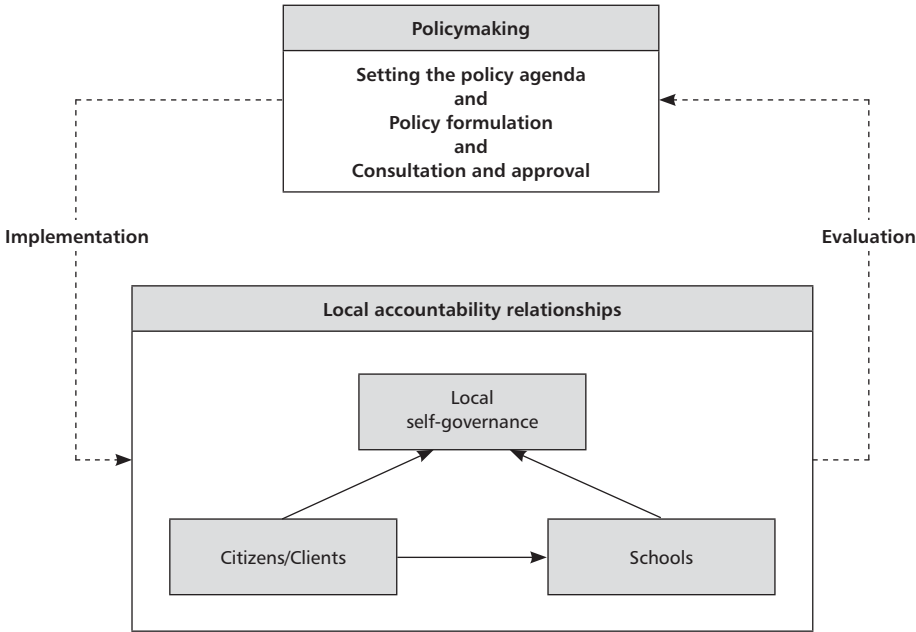
In short, on the basis of the common elements of this list of requirements, a *high-quality policy process is open and evidence-based*.

The underlying logic of policymaking in a decentralized education system is not different from that of governance in general. Policymakers are working through the actors of local accountability relationships; therefore, the target groups of policies are often parents or school-maintaining self-governments (i.e., local policymakers). As the following figure suggests, from the point of view of policies, the “black box” to be influenced is not only the school: it is also the local environment within which schools operate. Nevertheless, the efficiency of policies largely depends on the ability of policymakers to

open the black box, and understanding how the dynamics of local relationships work is essential for policymaking and implementation, too.

One of the special features of policymaking in relation to any other governance-related activity is that, since policies are mainly designed to address service delivery outcomes, they are much more focused than the governance of education in general. But even with a strong focus on actual service delivery, contextual factors should not be ignored. For example, if a policy mandate fits better to the decision-making authority of self-governments, it should not be deployed to schools. Another example might be the design of the most appropriate implementation process; in decentralized systems the involvement of the owners of schools, even in the case of development programs directly targeting a specific group of schools, is essential.

Figure C.4.1
The Policy Cycle in Decentralized Governance Systems



High-quality policymaking is often considered to be the matter of the development of the required capacities of the relevant actors. No doubt, these capacities are essential; however, as almost everything that was said in the previous chapters indirectly suggests, it is not that simple. A high-quality policy process has its systemic conditions beyond those of decentralized governance, in general. The most important ones are the following:

- *Setting the educational policy agenda*
 - The transparency and publicity of policymaking
 - Institutionalized system monitoring capacities
 - Policy evaluation
- *Policy planning*
 - Prevailing professionalism in the administration
 - Available policy analysis and planning capacities
 - Intensive participation in international cooperation networks
- *Consultation and approval*
 - Self-organized stakeholder groups
 - Open, institutionalized, and democratic bargaining procedures
 - Transparent and predictable decision-making procedures
- *Policy implementation*
 - Mature and well-functioning governance instruments
 - The institutional conditions of program-based development
- *Policy evaluation*
 - Well-functioning quality evaluation system
 - Well-functioning financial accountability system
 - Available and heavily-used independent program and policy evaluation capacities

A few of these conditions are the characteristics of decentralized governance systems only. There are others that—in theory—can also be built in centralized systems, but they reach their full potential only in the course of decentralization.

SUMMARY

Summary of the Key Points of Part Four

- ▶ Educational policy is the use of authority and resources at the disposal of the governance of education to change or influence the behavior of the actors and institutions of education in order to solve problems. Educational policymaking and implementation is one of the functions of governance; therefore, how education systems are governed determines the context within which policies are made.
- ▶ The three main approaches to policymaking and implementation are: (i) the rational model that considers the policy process as a rational algorithm of sequential steps, (ii) the incremental model, according to which the unpredictable context of policymaking does not allow more than incremental, step-by-step problem solving, and (iii) the analytical model that separates certain functional elements within the policy process, although they cannot be organized into a rational algorithm.
- ▶ The major components of the policy process are setting the agenda, planning (i.e., policy formulation), policy consultation and formal approval, policy implementation, and the evaluation of the policies.
- ▶ Policy problems are educational service outcomes that do not meet expectations. Due to the prevailing learning-outcomes approach, expectations towards educational services are increasingly set in terms of measurable competencies. The expectations relevant to educational policies can be determined with the instruments of needs assessment, according to which there are normative needs, felt needs, expressed needs, and comparative needs.
- ▶ The underlying logic for structuring problems is to reveal cause-effect relationships, according to four hierarchical levels: educational outcomes, the quality of teaching and learning explaining the outcomes, the quality of schools explaining the quality of teaching and learning, and the characteristics of the systemic environment explaining the quality of schools. The instrument of problem structuring is the problem.
- ▶ Problem identification has certain rules of thumb: identifying a problem is a value judgment, a problem is always contextual, the problem is not identical to its reasons or consequences, the problem has a solution, and the problem is not a private matter.

- In simple cases, policy objectives are determined by turning problems into goals using the same indicators that were used for the identification of the problem. In the case of more complex and large-scale problems, setting the objectives requires the conceptualization and the application of a policy model that connects the desired external outcomes, educational service objectives, and the instruments to be used.
- The rules of thumb for setting policy goals are: when setting goals, the same hierarchy of logical levels should be applied as for problem structuring; the expected results should be measurable to allow for monitoring and evaluation; if multiple goals are set, they should be coherent; target groups should be determined in an unambiguous way, the process of determining the goals should contribute to building a consensus; and undertaking goals against long-term processes that are out of the control of policymakers should be avoided.
- Policies may operate with five types of tools: mandate, capacity building, incentives, persuasion, and institutionalized support. The appropriate policy tools are to be selected on the basis of the willingness and the capacity of the staff of the schools to change. The aspects of assessing alternative policy instruments are: anticipated, impact, feasibility, cost-effectiveness, and sustainability. The assessment of a policy instrument requires a large knowledge basis.
- In order to ensure the feasibility of policies, several organized stakeholder groups are to be consulted and who are identified and selected on a case-by-case basis. The relevant stakeholder groups are those who are targeted by the policy; those who are not necessarily interested in the actual policy, but are playing a formal consultative role on a regulated basis; those who have vested interest in the impact of the policy, and those who represent the beneficiaries of the policy.
- The formal approval of policies is a regulated administrative or political process. The timeframes of administration, politics, and policy are different. Pressure to make things happen within a shorter timeframe than logically required can be balanced by high-quality policy planning and open policy consultation.
- Implementation is the achievement of the objectives of the policy. Policies are implemented by local actors, who should be made interested as well as able to work along the goals of the policy. Most policies are implemented in a top-down manner in two possible ways: through a coherent package of modifications within the systemic environment of service delivery institutions that force, encourage, and support local actors; and through large-scale targeted development programs.
- If policies are implemented through the systemic environment, they have to be planned in a manner that allows for easy management. Therefore, the intended policy tools should be deconstructed according to the various functional govern-

ment instruments available for governments. An action plan for implementation contains regulation, financing, and professional service packages, etc. The impact of this implementation strategy is indirect, can be applied on a whole system scale, and its cost are lower.

- ▶ Implementing policies through large-scale development programs has a direct impact on schools and—since resource allocation is based on a contract—makes the control of processes and outcomes much easier. However, the specific costs of development programs are higher, and they can hardly target more than certain segments of the system. The connections between development programs and how functional governance instruments operate should be maintained, even if development programs are not used as a supplement to the mainstream implementation process.
- ▶ Bottom-up implementation is transferring good practices that exist in a school to all the other schools with similar problems, on the basis of central policy priorities. Scaling-up good practices largely depends on the absorption capacity of schools. There are two bottom-up implementation strategies: the dissemination strategy that makes specific working know-how available for other schools and the systemic scaling-up strategy that creates the internal and external conditions for successful application of any sort of know-how.
- ▶ When determining the appropriate implementation strategy the following aspects are worth considering: the extent of decentralization, the absorption capacity of schools, the scope and scale of the problem to be targeted, the maturity of professional support systems, the amount of available financial resources, the level of government commitment, and the level of financial accountability.
- ▶ Policy evaluation is a key instrument of evidence-based policymaking. Policies can be evaluated on the basis of information provided by five major sources: the external assessment of the performance of students, the external evaluation of schools (inspection), program and policy evaluation, the information provided by financial accountability mechanisms, and by empirical research and the information system of education.
- ▶ Policymaking in education is a high-quality governance activity, if it is open and evidence-based. In more concrete terms, the requirements of the quality of the educational policy process are: (i) policies address well-documented and well-understood problems, (ii) policies operate with instruments that have the potential of affecting the behavior of actors in the desired way within the specific context, (iii) policies are able to gain the support of the most important stakeholders, (iv) the implementation of policies is based on a strategy that fits both the context and the purpose, and is managed in an effective way, and (v) the policy process and the impact of the policies are evaluated and the results of evaluation are fed back to policymakers.

- High-quality policymaking and implementation is not a simple question of the capacities of the participating actors; it requires that various systemic conditions should be in place. Apart from all the functional governance instruments, transparency, systematic monitoring of the education system, policy evaluation, self-organized stakeholder groups, open and institutionalized policy consultation, and intensive international cooperation are all essential conditions.

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- ¹⁷ This fact is more and more recognized in Bulgaria, where a group of independent expert developed a strategy for quality evaluation and management in 2007.
- ¹⁸ Based on the idea of Michael Fullan.
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- 37 Copyright: Thomas Timar.
- 38 Various working documents referred to in the texts (e.g., EU recommendations and working papers of EU agencies, consulting reports of the author, etc.) are referenced in the notes.

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Many people working in central government are convinced that decentralized systems entail a loss of control for those who are supposed to govern. Not so argues Péter Radó in this new and outstanding contribution to how decentralized education systems can be successfully governed in South Eastern Europe where governments have struggled to manage the education sector that has traditionally consumed the largest amount of government funds.

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